

## D8523A



## NEWS: EUROPE

# Storms break Russia's long political calm

The fabric of Russia's political stability is unravelling. There has been no hot summer nor, so far, a hot autumn. The crises in the country's political life - the collapse of the MMM pyramid selling operation, the civil war in the southern republic of Chechnya, the growing evidence of a flouting of civil rights in the regions - have all been contained. Now, however, the price for that long period of calm is being paid.

The latest crisis - the more than 20 per cent fall in the rouble last week - is not proving easy to calm. President Boris Yeltsin reacted like the regional party boss he once was, by firing those apparently responsible - Mr Sergei Dubinin, finance minister, and Mr Victor Gerasbchenko, central bank chairman.

He did not, while doing so, consult his prime minister, Mr Viktor Chernomyrdin, who was then on holiday. And though both the replacements for these officials are of a reformist bent, the damage done to the authority of the government by this executive action has been immense.

In a remarkable article in yesterday's *Moskovsky Novosti*, Mr Sergei Alexashenko, the young deputy finance minister responsible for the budget, rips into the president for his action. He accuses him constantly trying

Tension is building across the nation as crisis piles upon crisis, writes John Lloyd in Moscow

to sabotage the tough budget policy by telephoning the finance ministry to demand payments "to this director or that general"; of acting unconstitutionally by not giving the prime minister the chance to choose the new appointees; and of engineering an "economic military coup" by appointing an investigatory commission into the rouble's collapse composed almost wholly of generals (defence minister, interior minister, heads of domestic and foreign intelligence services, head of Border Guards).

The weakness of Mr Chernomyrdin's position was graphically illustrated by the rumours that he had offered his resignation on Tuesday night. Both he and Mr Yeltsin have denied it, and the latter took a cabinet meeting yesterday to discuss the budget.

According to Mr Igor Bunin, head of a think tank with strong links to the Yeltsin apparatus, "the president understood that he needed Chernomyrdin, that he is his last defence". However, according to Mr Vitaly Tretyakov, editor of the daily *Nezavisimaya Gazeta*, his resignation is only a matter of time. One of Mr

Chernomyrdin's own ministers, Mr Sergei Shakhrai, deputy premier for nationalities, admitted on Tuesday that the government had suffered "a heavy blow".

The government's main task now is to propose a budget to the Duma (lower house of par-

liament) of unprecedented severity aimed at bringing down inflation to 1 per cent a month by the second half of next year and refraining from any further borrowing from the central bank. Drawn up by radical young deputy ministers within the finance and economic ministries, and supported by Mr Alexander Shokhin, deputy minister for the economy, and by the prime minister himself, the budget also received initial assent from the president's advisers.

## A yawning gulf has opened between President Boris Yeltsin and his prime minister

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Now, however, the gulf which has yawned between Mr Chernomyrdin and the president may mean the latter will

no longer lend it his necessary support; and the Duma, fragmented as it is, may also revolt. Crucial to the budget's success is backing from the International Monetary Fund, whose senior officials are now in Moscow for negotiations on

a stand-by loan. The government is counting on at least \$8bn in stand-by and other credits to be agreed this year, and a further \$6bn to stabilise the rouble next year. It wants to calibrate repayments of its \$90bn foreign debt with IMF and World Bank assistance over the next 4-5 years, in an ambitious effort to restructure and stabilise its finances over the medium term.

However, the IMF is in a sceptical mood. In rare public comments in Moscow earlier this week, Mr John Odling-Smee, head of the department concerned with Russia, said the government still needed to

demonstrate that it could put a cap on spending: "Until then there is no hope of containing the budgetary situation." He warned that "this is not the time to take the easy line and to give way to pressure from industries. This is the moment to try to get things under much better control".

In remarks aimed at the government's hopes for loans, he said he was concerned "about the very large amount of financing expected from elsewhere. I don't think all that money will be available, and I certainly don't think it will be good for Russia".

As the budgetary struggle intensifies, so the social situation becomes bleaker. The unions, until now a dormant force, have threatened to strike next Thursday - when the prime minister is due to present the budget to the parliament - over the vast backlog of unpaid wages. Mr Oleg Sokovets, first deputy prime minister, promised earlier this week to pay these wages but that would blow another \$2,000bn hole in the budget if he did.

Yesterday in Moscow, a crowd some 5,000-strong heard demands for the government's

resignation from normally reformist journalists attending the funeral of Mr Dmitry Khodov, a young reporter on *Moskovsky Komsomolets* killed on Monday a briefcase bomb. His death has been blamed on "mafia circles" in the military command, trying to protect secrets of corruption in the forces Western Group which he was investigating.

These events, especially the crash in the currency, forced Mr Yeltsin to postpone until December the meeting this week of the political parties and groups which signed a joint agreement for national accord earlier this year. The president has placed much importance on the agreement, seeing it as a fundamental indicator of the desire of the main political participants to resolve their differences peacefully.

National accord is now clearly impossible to proclaim - and will be hard to do so in December. Inflation is rising - to over 10 per cent this month, more in November. Unemployment is also increasing, as are the number of days lost through strikes. Opposition, hitherto largely confined to the parties in the parliament, may come out on the streets once more. Even the booming stock prices, a real success story of the past year, have turned down, though not by much so far. The situation may be saved, but it is very tense.

## EUROPEAN NEWS DIGEST

## Franco-Spanish summit opens

President François Mitterrand of France and Spain's prime minister, Mr Felipe González, met yesterday to discuss European unity and stability in the Mediterranean. The talks between the two long-serving Socialist leaders in the south-western French town of Foix are their last bilateral summit before Mr Mitterrand steps down next May. The two opened the 4.8km-long Puy de Sancy mountain tunnel in the Pyrenees as a symbol of co-operation between their two states.

Both leaders, in interviews published to coincide with their two-day talks, repeated their disagreement with a proposal floated in Bonn to build the European Union on a "hard core" group comprising Germany, France and the Benelux countries. Mr Mitterrand's spokesman said Paris was also keen to co-ordinate with Madrid their forthcoming successive EU presidencies to ensure smooth preparations for the 1996 intergovernmental conference to reform Union institutions.

Another issue at the summit will be security and co-operation in the Mediterranean, as both France and Spain fear they would take the brunt of massive emigration if strife in Algeria continued to worsen. This follows Wednesday's proposal from the European Commission to create a Euro-Mediterranean Economic Area with the EU's North African and Middle Eastern neighbours. *Reuter, Foix, France.*

## Swiss to trim budget deficit

The Swiss government is making progress towards reducing a budget deficit that was driven up to 19 per cent of spending last year by soaring welfare payments. Bern is projecting an 11 per cent reduction of this year's deficit to SF76.9bn (£3.45bn) and a further 6 per cent cut to SF76.5bn next year. With net debt service costs amounting to less than 5 per cent of spending and total federal debt of SF70bn at the end of last year representing only 20 per cent of gross domestic product, the government is not in difficulty. But double digit growth rates in interest charges in the past two years have caused concern. Spending is set to increase only 4.9 per cent this year to SF742.6bn and to rise a negligible 0.8 per cent next year after a 7.4 per cent jump in 1993, mainly because demand for welfare payments is easing as the economy recovers. Revenues, which plunged 6 per cent last year to SF732.8bn, are expected to advance 8.6 per cent this year and 2.1 per cent next year when a value added tax comes into effect. *Ian Rodger, Zurich.*

## IMF chief in Budapest talks



Mr Michel Camdessus (left), managing director of the International Monetary Fund, flew into Budapest yesterday for talks with Hungary's new Socialist-led government. The three-month-old government is drafting its 1995 budget and a three-year economic reform plan which it hopes will form the basis of a standby agreement with the IMF. The Fund is urging Hungary to make radical reforms in welfare spending and in fiscal policy and to cut domestic consumption in order to reduce its large budget and current account deficits and prevent the country's \$26bn foreign debt from rising further. When it took office the government promised swift and tough measures to tackle the country's poor economic situation. However, it has retroactively raised pensions across the board by 8 per cent from January and deferred increases in value added tax and energy prices, planned for this month, until next year. *Virginia Marsh, Budapest.*

## Croatia peace plan takes shape

Mr Yasushi Akashi, the top UN official in former Yugoslavia, said yesterday that a "complex and ambitious" peace plan for Croatia would be completed soon. His comment was the latest hint of intense diplomatic activity aimed at resolving the future of Serb-occupied parts of Croatia, and thus paving the way for normal relations between Belgrade and Zagreb. Croatia's President Franjo Tudjman said last week that "various initiatives in various places" were in progress which would give journalists "a lot to discuss" once they were made public. Mr Peter Galbraith, US ambassador to Zagreb who is one of the four members of an international mediation group on Croatia, has suggested that Croatia could draw on the US, Canadian or Swiss models in granting autonomy to Serb-dominated areas. About a third of Croatia's territory is under de facto Serb control following the Serb-Croat war of 1991-92. Diplomats say that Serb politicians in the occupied areas of Croatia - who claim to have established an independent state - have become more flexible recently, apparently under pressure from Belgrade. *Bruce Clark, Defence Correspondent.*

## W German industry stronger

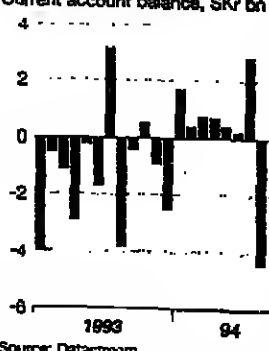
The recovery of manufacturing industry in western Germany is picking up speed and companies are now operating at 82.7 per cent capacity, up from 78 per cent a year ago, according to a report from the Ifo economics institute. The quantity of orders in hand was returning to pre-recession levels even though productivity had improved, the report said. For the first time industry in eastern Germany was "largely satisfied" with the business environment. However, companies are still concerned about the low levels of exports and about the amount of orders in hand which corresponded to 2.7 months work in the third quarter, down from 3.1 months in the quarter before. Industry in eastern Germany was producing at 78 per cent of its capacity, slightly more than in the second quarter and up from 72 per cent in September 1993. Despite the improved figures, around 2 per cent of the workforce are still likely to lose their jobs. *Michael Lindemann, Bonn.*

## ECONOMIC WATCH

## Swedish current account gloom

## Sweden

Current account balance, SKr bn



Source: Datascan

Sweden recorded a larger than expected deficit of SKr4.4bn (£379m) in its current account in August because of a lower surplus in the balance of services and higher overseas interest payments by the state and private sectors. The Riksbank said the deficit pushed down the current account surplus for the January-August period to SKr2.3bn. But the overall trend of strong export growth this year means this surplus remains a significant turnaround from a deficit in the same period last year of SKr1.1bn. Industrial production, meanwhile, rose by 0.6 per cent in August compared with July, bringing the increase in the year to the end of August to 8.4 per cent and reflecting Sweden's slow recovery from recession over the past year. The central statistics bureau also said industrial labour costs in August stood at SKr146.70 per hour, or 5.4 per cent higher than at the same stage last year. *Hugh Carnegie, Stockholm.*

■ EU annual inflation, as measured by consumer price index, fell to 3 per cent in September, the lowest level since March 1987, according to figures from Eurostat. Inflation was 3.1 per cent in August and July after remaining at 3.2 per cent from March to June. Italy, Spain, Portugal and Greece were above the EU average.

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## Bank of Italy deputy awaits his blessing

By Robert Graham in Rome

Divisions within the government of Italian prime minister Silvio Berlusconi are holding up the approval of Mr Vincenzo Desario as the new director of the Bank of Italy.

In an unprecedented move by an Italian government, the right-wing coalition has refused to welcome the nomination on Monday by the bank's governing council of Mr Desario, currently the deputy-director, to take over the number two job.

Instead the government has deliberately chosen to take its time. The matter was not discussed at yesterday's cabinet meeting. Mr Gianni Letta, the head of the prime minister's office, said the matter would be discussed at the next cabinet meeting and insisted that the government was united in the view that an external candidate would have been preferred.

Mr Umberto Bossi, the leader of the populist Northern

League and a key member of the coalition, said when asked about the delay: "It was a choice made autonomously by the Bank of Italy and which doesn't seem to please the government but the perhaps the treasury, with whom the bank has to work."

Mr Desario was chosen on the advice of Mr Antonio Fazio, the governor, to take up the position vacated by Mr Lamberto Dini, when he left in May to become treasury minister. Mr Fazio insisted on an internal candidate and after five months' wrangling appeared to have brokered a deal last weekend with the government via the good offices of Mr Giuseppe Tatarella, the deputy prime minister and leading member of the neo-fascist MSI/National Alliance in the coalition.

The choice of Mr Desario has been openly backed by MSI/National Alliance and the Christian Democratic Centre, the smallest group in the coalition. The League has wavered and Mr Berlusconi and his Forza Italia have been silent.

Mr Berlusconi and more particularly Mr Dini, are reportedly still reluctant to accept the bank's ability to choose the members of the four-man directorate. From the start, Mr Berlusconi has made it clear he regards this as a separate issue from the central bank's autonomy. The Desario appointment requires the endorsement of both President Oscar Luigi Scalfaro and the cabinet. The president is understood to support Mr Fazio.

The government thus has three main courses of action: simply delay to display disapproval; delay and issue a statement of censure; reject the appointment. Political analysts doubted yesterday whether there was sufficient consensus in the government to refuse the appointment as this would exacerbate the conflict with the Bank of Italy and antagonise President Scalfaro. It would also unnerve the markets.

## Basque poll may allow Eta to follow IRA

By Tom Burns in Bilbao

The Northern Ireland peace process could have a knock-on effect on Spain's Basque Country where regional elections on Sunday are widely viewed as setting the stage for similar negotiations to end violence by Eta, the separatist organisation.

The vote among the 2.1m Basques, who since 1979 have enjoyed increasing home rule, is also seen as a watershed poll that could undermine the nationalist rhetoric and extremist calls for secession from Spain that has dominated much of local politics.

Opinion polls indicate that the Partido Nacionalista Vasco, PNV, the mainstream nationalist party, will remain the dominant force but that there will be big gains by Madrid-based parties - the conservative People's party (PP) and the communist coalition, Izquierda Unida (IU) - which had formerly been on the sidelines of Basque politics.

"I believe that once the elections are over," says Jon Idigoras, a veteran leader of Herri

The Basque Country



Jon Idigoras, veteran radical leader. "Any one of us... can play the role of Gerry Adams."



Jose Ardanza, certain to remain premier. "I favour 'discreet and if possible secret' talks with ETA."

Batasuna (HB), the radical Basque group that acts as Eta's political front organisation, "there will be contacts with Eta and say one of us in HB can play the role of Gerry Adams [the leader of Ireland's Sinn Féin who was at the centre of the IRA's ceasefire]."

Founded in the late 1960s, Eta has been responsible for more than 600 deaths in its campaign to create an independent

Basque state and some 500 of its members are in Spanish and French prisons.

"We have still got to digest the Irish developments," says Mr Idigoras, "but it is clear that they will force everyone, the Spanish government, the Basque political parties and Eta to move their pawns."

The sentiment is echoed by the PNV's Mr José Antonio

Ardanza, who is certain to be returned as Basque prime minister on Sunday.

Mr Ardanza has said during the electoral meetings that he favours "discreet and, if possible, secret" talks with Eta.

Mr Xabier Arzalluz, the powerful chairman of the PNV and its leading ideologue for the past 20 years, says he expects a "deep rethink" by HB after Sunday's vote, particularly if

the opinion polls are borne out and the radicals, which are at present the third-largest political group in the Basque Country after the PNV and the Socialists, lose votes.

Although there are important differences between the politics of Northern Ireland and those of the Basque Country, Mr Arzalluz says HB's supporters have been "stunned by the IRA's decision to give up violence, apparently in return for nothing".

The momentum towards a Basque peace process will, however, depend on the willingness of the Socialist government in Madrid to sanction the talks that the PNV has in mind.

While the Madrid government officially opposes contacts with Eta, Mr Mario Onaindia, a former Eta member and now a leading Socialist party official in the Basque Country, says circumstances after the election will favour "a dialogue".

Sunday's vote is, however, expected to see a decline in support for the Socialist party which has been the junior

partner in the Basque Country's government for the past eight years. The shrinking Socialist vote is partly prompted by the diminished popularity of Mr Felipe Gonzalez's government in Madrid, but it could also reflect dissatisfaction among rank-and-file socialists, mostly blue-collar migrant workers from elsewhere in Spain, over the local party's decision to co-opt a minority left-wing group led by Mr Onaindia and to compete for the "ethnic" Basque vote.

Polls suggest that the IU coalition could be backed on Sunday by former socialist supporters and, underlining a further shift from nationalist-based politics, that the conservative PP will do well among young professionals.

"People are at last waking up," says Mr Jaime Mayor Oreja, the leader of the PP in the Basque Country.

"The permanent vindication of the Basque nation over the past years has only created uncertainties and impoverished the Basque Country," he says.

### Government adopts conflict of interest proposals

## Choice for Berlusconi

By Robert Graham

The Italian government yesterday decided to adopt unchanged the legislation proposed by three jurists to resolve the conflict of interest between the prime minister, Mr Silvio Berlusconi, and his Fininvest media empire.

The legislation means that Mr Berlusconi must choose between selling off his assets or appointing a special administrator as a trustee to run Fininvest, Italy's second largest private group. His media interests will also be monitored by the media watchdog commission, which is appointed by parliament.

Mr Berlusconi formally cut his managerial ties with Fininvest in January when he entered politics, but has so far failed to make any provision to prevent a conflict of interest. He has consistently stated he is averse to selling his assets,

but it remains to be seen how an administrator will fit into the management structure of Fininvest, which is spread over television, publishing, financial products and retailing.

The three jurists, who proposed the legislation in a 40-page report submitted at the end of September, were appointed by Mr Berlusconi in May. Their report was judged a positive first step by the opposition but they criticised the legislation as being incomplete.

They claim the cards are stacked in Mr Berlusconi's favour because parliament controls appointments to the media watchdog commission.

Two incidents yesterday undermined the continued problems of conflict of interest.

The first was a debate in the higher magistrate's council, governing body of the judiciary, over whether to censure the behaviour of the chief public prosecutor of Milan who is

investigating Fininvest. Mr Vittorio Sgroi, head of the appeals court, had to explain at length that a meeting he had held on Wednesday with Mr Berlusconi over the affair had not involved an attempt by the owner of Fininvest to exert pressure on the outcome of the case.

The second incident was a debate in parliament on the future of the Rai, the state broadcasting organisation.

A member of the opposition hurled abuse and accused the government of monopolising information through Mr Berlusconi's Fininvest channels and control of the Rai. Several members from government benches, most from the neo-fascist MSI/National Alliance, left their seats and stormed towards the opposition. One deputy was temporarily knocked out and an usher required medical attention for a bloody nose.

## French growth may give poll boost to Balladur

By David Buchanan in Paris

France is set to enter its 1995 presidential election year with its economy already expanding at the pace of 3.1 per cent forecast by the government for the full year.

Insee, the official statistics agency, yesterday raised its growth forecast for 1994 from 2.0 per cent to 2.2 per cent and said that by the end of 1994 it expected the economy to be expanding on a year-on-year basis at the rate of 3.1 per cent.

The government has already predicated its 1995 budget on real growth of 3.1 per cent, but set this as the average for the whole year, rather than the initial momentum with which the French economy would go into 1995.

The growth forecast of Insee, which also said that despite August's slight increase in unemployment it expected to see a modest fall in joblessness

over 1994 as a whole, comes as welcome news for the prime minister, Mr Edouard Balladur, in his as-yet-undeclared candidacy for the presidential elections in May.

His advisers have recognised a certain risk that the necessity for fiscal discipline to reduce the 1995 budget deficit, plus the recent rise in long term interest rates, might choke off recovery in the French economy.

It grew by 0.7 per cent in the first quarter and by 1 per cent in the second quarter. Insee now forecasts 1.4 per cent real growth in the second half of this year, and it believes that French companies have enough cash in hand not to be deterred by the rise in long-term interest rates from pursuing their investment plans.

Even if, as Insee expects, there is a "technical slowdown" in French industrial

output after the first half's strong growth throughout Europe, it will be limited and amply offset by strong consumer demand.

The agency comments that the main surprise has been the continuation of strong car sales after various government incentives earlier this year lapsed.

Overall, it forecasts household consumption rising 1.7 per cent in the second half of this year, following the 0.5 per cent increase between January and June.

Insee said that the contribution of foreign trade to French growth may soon turn "negative", as internal demand boosts imports faster than the growth in exports. But the government, which yesterday announced a FF7.2bn trade surplus for August (up from FF4.6bn in July), said it was still aiming for a 1994 surplus of around FF80bn.

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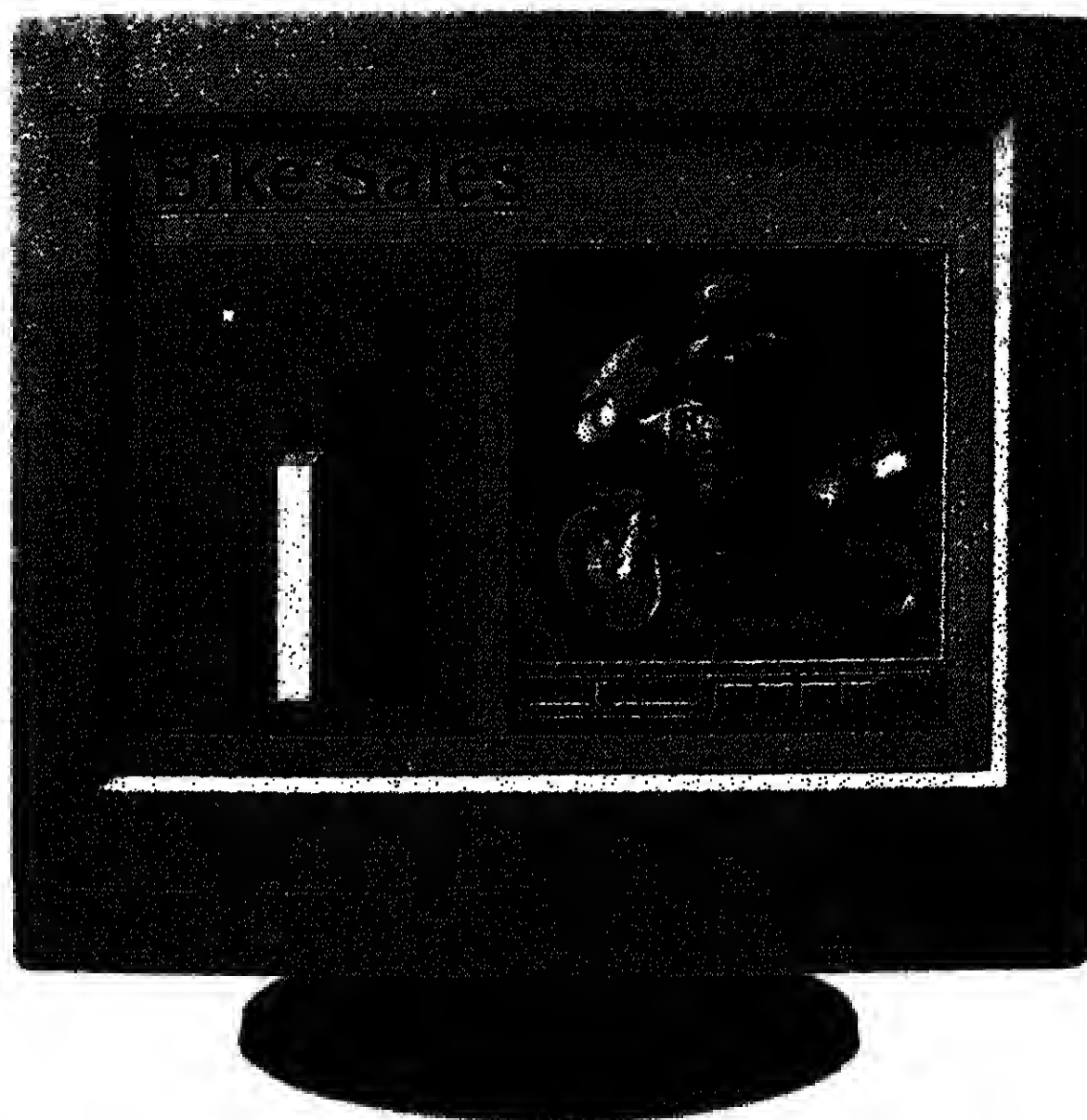
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## NEWS: INTERNATIONAL

## Hualon is a 'victim of hearsay'

Laura Tyson interviews chief of Taiwanese textile company linked to share controversy

Hualon-Tejran, the Taiwanese textile manufacturer, is determined to proceed with plans to build a plant in Northern Ireland with financial help from the British government, despite the recent share payment default controversy to which the company has been linked.

Mr Liang Ching-hsiung, president of the Taiwan-listed company, in an interview depicted Hualon-Tejran as having fallen "victim to hearsay" in this and previous scandals that have plagued its founding Oung family, maverick scions of a Shanghai textile dynasty.

Mr Liang sought to distance the company he runs from other companies associated with Mr Oung Ta-ming, the focus of attention in the share scandal earlier this month involving 28 securities firms and T\$7.6bn (£192m) in defaults.

He also sought to dispel concerns that Hualon-Tejran's £157m investment project near Belfast, undertaken with £61m in UK government aid, would go the way of an earlier state-subsidised project in Northern Ireland, the De-Lorean car factory, which collapsed in the early 1980s.

"Hualon has always been a solid, dedicated manufacturing operation, not a speculative company," Mr Liang said. "I particularly want to emphasise that our company has no relations whatsoever with Oung Ta-ming or his securities businesses and we know absolutely nothing about his share trading activities. In fact, all we know is what we read in the newspapers, like everyone else."

Mr Oung, a Taiwanese legislator and prominent share speculator, founded

and built up a loosely knit group of companies now reckoned to be Taiwan's tenth biggest industrial group. Control is split among Mr Oung and three younger brothers.

Mr Liang, who has worked at Hualon-Tejran since 1968, described the history and structure of the group in an effort to clarify what he regarded as misconceptions about the management of and relationship among companies within the group.

He also presented Hualon-Tejran's version of events preceding a 1991 share-bribery scandal which led to the downfall of a cabinet minister, Mr Oung You-ming, the third Oung brother and

## 'Oung You-ming will ultimately be found innocent'

chairman of Hualon-Tejran, left Taiwan after the scandal broke and has not returned to face charges in connection with the case. He now runs Hualon's businesses in Malaysia.

Mr Liang said the case was politicised and Mr Oung You-ming will ultimately be found innocent. "When the timing is right, Oung You-ming will of course return to Taiwan, but at the moment he has no concrete plans to do so."

Unlike other Taiwanese family run conglomerates such as Formosa Plastics and Kuo's Group, the Oung family companies do not have a central holding company or centralised management and finances, Mr Liang said. Thus

the term "Hualon group" is actually a misnomer as the various entities have always been run independently, despite the fact that until the late 1980s family members sometimes held positions in more than one company.

Mr Liang said that 1989 "marked a very important milestone for the family and for the businesses. At that point, Oung Ta-ming went into semi-retirement. He no longer wanted to have anything to do with the manufacturing side, so he let his brothers take over those businesses."

When Mr Oung You-ming took over Hualon-Tejran he began to look for opportunities to expand overseas and diversify. In 1990 the Taiwan government began offering financial incentives for investment in high-technology industries.

Mr Liang said the younger Mr Oung wanted to take advantage of those incentives, but by law the consolidated investments of a listed company could not exceed 40 per cent of total registered capital. (This restriction was lifted in 1991.)

To comply, Hualon-Tejran decided to sell 5m shares in Kuo Hwa Life Insurance. As Kuo Hwa is an unlisted concern, bidders could not be solicited publicly. Mr Oung tried to sell the shares privately to other tycoons, but none was interested given that the stock exchange index's fall from 12,000 in February 1990 to around 3,000 in October.

The shares were sold in December 1990 to the daughter of Mr Clement Chang, minister of transportation and communications at the time, for T\$120 a share compared with Mr Oung's original asking price of T\$150 a share. The

shares were estimated by accountants to have a net asset value of T\$80.

Regulators were notified of the transaction and a public announcement was made, as required by law. Authorities made no objection to the sale, Mr Liang said. "We were trying our best as a law-abiding company to abide by the law of the country," he said.

In February 1991 Mr Hsu Rong-chi, a self-styled expert on the insurance industry, filed a suit against the sale, claiming that the shares were worth T\$500-T\$800 each, Mr Liang said. (Through his underground radio station, Mr Hsu this year mobilised Taipei cab drivers on several occasions to pro-

## 'We were trying our best to abide by the law of the country'

test against the ruling party. He was convicted last month of using the air waves to incite violent demonstrations and sentenced to eight months in jail.)

Mr Oung was temporarily prevented from leaving the country by prosecutors, but the restriction was lifted later. He subsequently left Taiwan legally and did not "skip bail" as is widely believed, Mr Liang said.

Hualon-Tejran's shares are widely dispersed among 180,000 shareholders. Mr Oung You-ming holds 3 per cent and Kuo Hwa Life Insurance 8 per cent.

The company forecasts pre-tax profits of T\$1.15bn on turnover of T\$2.7bn in 1994, against a loss of T\$384m in 1993.

## Manila sets out foreign bank rules

By Jose Galang in Manila

Foreign banks wishing to start up in the Philippines under next year's liberalisation will need capital of only 210m pesos (\$2m), but must come from countries offering reciprocal rights of establishment to Philippine institutions, guidelines published by the Monetary Board say.

Thirty-one foreign banks have expressed interest in setting up shop, following the passage of legislation opening up the banking sector for the first time in 46 years. The change is expected to intensify competition in the financial sector.

Only 10 banks will be allowed to open full-service branches, although others may acquire up to 60 per cent of existing banks, including those under receivership or liquidation. Mr Gabriel Singson, head of the central bank and its policy-setting Monetary Board, says the selection should be completed in early 1995. Six of the 10 banks will be selected by the board, while the other four will be picked by the Philippine president.

The newly issued rules limit the selection to the top five banks in their home countries. They can open up to three branches in any location, and another three in areas to be designated by the Monetary Board. Foreign banks seeking the right to engage in securities businesses will need total capital of at least 1.5bn pesos, the same as domestic banks.

Four foreign banks already operating in the Philippines, Bank of America, Citibank, Hongkong and Shanghai Banking Corporation and Standard Chartered, were established before overseas involvement was banned.

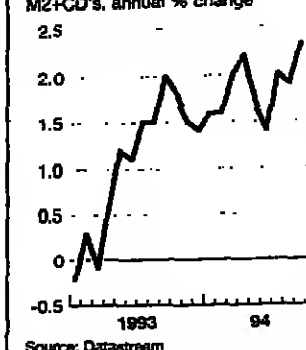
Bankers say Manila has begun to offer more sophisticated services since removal of foreign exchange controls on current-account transactions and the easing of rules on bank branching in 1993.

## INTERNATIONAL NEWS DIGEST

## Japan's money supply up 2.3%

## Japan's money supply

M2+CD's, annual % change



Source: Datastream

including postal savings, government bonds and investment trusts, rose 3.5 per cent last month, a slight easing in pace from the 3.6 per cent annual increase in August. This remains well below the 5 per cent annual growth several economic analysts in Tokyo believe is the minimum needed to fund a durable economic recovery. William Dawkins, Tokyo

## Tajik deputy premier killed

Tajik Deputy Premier Munavarsob Naziev was killed yesterday when a land mine planted on a highway exploded under his car, Itar-Tass news agency said. Mr Naziev, 55, was driving from the capital, Dushanbe, to the Garm region near the Pamir Mountains when his car hit the mine. He and a bodyguard were killed outright, and two aides badly injured. Tajikistan, poorest of the former Soviet republics, has been devastated by a two-year civil war. Yesterday was the first day of a ceasefire between the Russian-backed government and Muslim fundamentalists. AP, Dushanbe

## US-N Korea nuclear pact

North Korea's mission in Geneva today will host the signing of the landmark nuclear pact with the US that the two powers completed earlier this week, officials said yesterday. The pact, hailed by President Bill Clinton as presaging the isolated communist North Korea's full entry into the world community, was earlier formally endorsed by the North's new leader, Kim Jong-il. The ceremony will formalise an emerging relationship between Washington and Pyongyang, committing the North to improve ties with South Korea. Under the deal, North Korea freezes, then dismantles its current nuclear programme in return for a pledge of compensation in the form of oil for lost energy, and delivery over the next few years of new and safer nuclear plant. Reuters, Geneva

## China to hold more N-tests

China expects to conduct "a few more" nuclear tests before it joins an international moratorium on experimental atomic blasts, an official said yesterday. Beijing has said it favours a complete ban on all nuclear arms, but until a comprehensive nuclear test ban treaty is concluded, will refuse to join in a two-year-old moratorium adopted by the world's other declared nuclear powers. The official said his government did not want to see the nuclear weapons gap between China and other nuclear powers "frozen forever", leaving Beijing vulnerable to attack. More tests were needed to improve the quality of new devices. AP, Beijing

## Bolger defiant on threat from boundary changes

By Terry Hall in Wellington

New Zealand's prime minister Jim Bolger yesterday vowed that his National party would continue in power till the next elections due in 1996, in spite of boundary changes that will cost many of his MPs their seats.

Some National party MPs are expected to form new political parties which could threaten the government's two-seat majority. The boundary changes, a result of the German-style electoral system under which the next elections

are due to be held, reduce the number of electorates to 60 from the present 95.

Under the new proportional system, the remaining seats will be on a list basis with MPs nominated by political parties. Many sitting MPs, including Mr Bolger and deputy prime minister Don McKinnon, say they intend to seek election and will not accept nomination for the party lists for the next parliament.

The detailed boundary changes announced yesterday pose severe problems for the government. The reduction in

seats leaves a number of prominent cabinet ministers, such as justice minister Doug Graham and consumer affairs minister Katharine O'Regan, without seats.

The change to the electoral system has already led to two resignations. Junior minister Ross Meurant and Labour's Peter Dunne have left their present parties and announced they will stand under new labels in the next election. Both have said they will support Mr Bolger through what is expected to be a turbulent time in New Zealand politics.

## Nigeria currency falls 12% in week

By Paul Adams

The street value of the Nigerian naira has plunged 12 per cent against the dollar in the past week which has seen the sacking of Mr Kalu Kalu, the country's finance minister. The fall in the parallel rate of the naira from N70 to N90 to the dollar since early October is the latest symptom of deepening economic crisis.

Bankers blame the devaluation on the erratic supply of foreign exchange on the official market. Since January the government has cut the budget

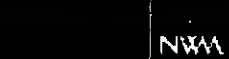
for foreign exchange allocations at the official rate of N22 to the dollar from \$2.5bn (£1.8bn) to \$1.9bn.

Delays, hidden costs and irregular allocations have forced businesses to buy currency for imports on the parallel market which was banned under controls imposed in the January 1994 budget.

The dismissal of Mr Kalu, who favours a return to the lapsed structural adjustment programme, is seen by bankers as confirmation of government determination to pursue its fixed exchange rate policy.



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## Cambodian sacking greeted with dismay

By Jonathan Miller  
in Phnom Penh

Less than a week after the Cambodian government launched a \$1m (\$966,000) campaign to attract foreign investors, the architect of the country's economic reform programme, Mr Sam Rainsy, finance minister, was sacked in a Cabinet reshuffle yesterday.

His removal from office was greeted with dismay by Cambodians and nervousness by potential investors and donors. Impressed by Mr Rainsy's vision for the development of the war-ravaged economy.

"This is a real shame," said one foreign businessman in Phnom Penh. "Sam Rainsy has undoubtedly been the best of all the people I've had to deal with in this government."

King Norodom Sihanouk, who rules Cambodia's 7m people, evidently shared this view. In recent letters of support for Mr Rainsy, he said: "Our nation and our people greatly need your highly patriotic and competent services."

A large majority in Cambodia's National Assembly voted in favour of the shake-up after it was presented for

approval by the senior prime minister, Prince Norodom Ranariddh. He said the changes were aimed at forging greater unity among parties in the ruling coalition which is largely comprised of royalists and former Communists.

Before returning to Cambodia to join the government, Mr Rainsy had spent 27 years in France, where he worked as an accountant and stockbroker. He gave that up for a government salary of \$30 a month.

Mr Rainsy appears to have been a victim of his own success. His popularity among voters at home and the stature he had gained abroad worried his political masters, who thought him a threat. His determination to root out endemic corruption also made him many enemies in the government, the private sector and in the armed forces.

A western diplomat said: "Let's face it, if you're serious about a Cabinet reshuffle, there are lots more obvious candidates for the chop."

In a reflection of local business concerns, there was steady buying of gold by investors, mostly Chinese, on the 24-hour foreign exchange-precious

metals market in Phnom Penh. When Mr Rainsy assumed the portfolio in July last year, he inherited what he liked to describe as "a free-for-all jungle economy", which had failed to recover from the economic ruin wrought by the Khmer Rouge regime in the 1970s and a subsequent decade of mismanagement.

He was determined to dismantle the cumbersome state apparatus of a crumbling centrally-planned economy and reintegrate Cambodia with the global economy. He stressed fiscal prudence and accountability, and pinned his hopes on private entrepreneurship and the free market.

In a recent interview with the Financial Times, he said: "My vision consists of seeing Cambodia become part of the east Asian economic miracle. I hope that within 10 or 15 years we will catch up with our neighbouring countries."

If the international and multilateral donors who listened to his message thought Mr Rainsy a touch optimistic, they enthusiastically bought his line. After he addressed a donors' meeting in Tokyo in March, \$500m was pledged



CONTROVERSIAL: Sihanouk failed to save finance minister Sam Rainsy

towards national reconstruction. This came on top of the \$1bn pledged by donors after the Cambodian Peace Agreement in Paris two years ago.

The foreign business community has been equally impressed by Mr Rainsy's efforts to create a more stable environment for foreign investment. His record, after just one year, is impressive.

He was behind the Foreign Investment Law, passed in

July. He helped to control inflation, stabilised the Cambodian currency, the Riel, centralised revenue collection and brought the government's huge deficit under control.

The question now is whether his successor can protect the policies Mr Rainsy set in place. He is Mr Keat Chhon, a French-trained nuclear physicist, and, like many members of today's government, an erstwhile official with the former

Khmer Rouge regime.

For the past year, he has headed the Cambodian Development Council, whose remit is the promotion of foreign investment. Investors and diplomats are reserving judgment.

One foreign businessman said: "Keat Chhon's impressive, intelligent and capable. The next couple of months will be crucial from a business perspective. We'll all be watching and waiting."

## Tokyo courts Beijing anger over Taiwan

By William Dawkins in Tokyo

Japan yesterday courted Chinese displeasure for the second time in a month, by announcing plans to hold its first formal ministerial meeting with Taiwan in 22 years.

Mr Ryutaro Hashimoto, Japan's minister of international trade and industry, is to meet Mr Chiang Ping-kun, Taiwan's economics minister, in Osaka on Saturday, in the margins of a conference of small businesses in Asia.

The move is the latest in a series of recent examples of Japan's search for a more self-assertive foreign policy line. On this occasion, Tokyo's confidence could be a reflection of the fact that China is seeking the renewal and enlargement of a six-year \$800bn (\$5.2bn) programme of Japanese government loans, ending in 1996.

Tokyo showed itself prepared to confront Beijing on the same issue of relations with Taiwan earlier this month,

when it allowed Mr Hsu Li Teh, Taiwan's deputy prime minister, to visit the Asian games in Hiroshima. Mr Hsu ignored his hosts' requests to keep a discreet profile and met politicians from the ruling Liberal Democratic party.

Officially, Mr Hashimoto and Mr Chiang will talk about small business policy, in an attempt to present the meeting as politically uncontroversial. But officials said they believed China would have no grounds to object, since Mr Hashimoto will also meet counterparts from China, Hong Kong, the Philippines and Indonesia. They will attend the conference in their capacity as members of the Asia-Pacific Economic Co-operation Forum.

Japan cut formal diplomatic links with Taiwan in 1972, when it opened relations with China, thereby implying acceptance of China's belief that Taiwan is part of China. Yet there is an influential pro-Taiwan faction in the Japanese government.

Controversial cut in use of Afrikaans likely to provoke serious backlash, Mark Suzman reports

## Sweeping changes in South African broadcasting

The South African Broadcasting Corporation, the state-run body which has a virtual monopoly on radio and television broadcasting in South Africa, yesterday announced plans for sweeping changes to its structure, including a major reduction in the use of Afrikaans on the airwaves.

The decision is controversial and likely to provoke a substantial backlash from a large part of the Afrikaans population, many of whom will take it as proof of their continued marginalisation in South African society since the April elections.

It may also prove a potent future election issue for right-wing political parties.

Announcing the changes at a Johannesburg press conference yesterday, Mr Zwelakhe Sisulu, the recently appointed SABC Group chief executive, said that on television

English would become the most widely used language.

All main news broadcasts will become evenly divided between English, Afrikaans, the Nguni group of African languages (which include Zulu and Xhosa), and the Sotho group of languages.

Under the present system, SABC's main television channel, TV1, splits its broadcasts evenly between English and Afrikaans, while black languages are relegated to the broadcaster's other two channels, CCV and NNTV.

Mr Sisulu also said that radio services will be restructured to create 11, full-spectrum public-service stations, one for each of the country's official languages. As a result, there will only be one station that will continue to broadcast exclusively in Afrikaans, while several smaller, regional stations that at present use Afrikaans

are likely to close or be restructured.

The proposed downgrading of Afrikaans, rumoured for several months, has been widely condemned by Afrikaans cultural and political groups, who charge it violates another constitutional clause forbidding any "diminishing of the rights and status of existing languages".

The proposed changes will also almost certainly mean the retrenchment of hundreds of Afrikaans-speaking staffers at SABC and their replacement with blacks capable of running the new African-language programming, a move which will help the corporation attain its stated goal of 50 per cent black staffing by 1998.

Mr Daan van der Merwe, arts and culture spokesman for the Conservative party, claimed the move signals a careful plan to undermine Afrikaans language and culture. "It is altogether

a cold-blooded attempt to destroy the Afrikaner folk," he alleged.

Mr Sisulu said he was aware the decision might prove controversial, but argued that given the strictures of the new constitution, which stipulates "equal use and enjoyment" of all South Africa's official languages, the new proposals represent the most feasible compromise.

Underlying the language issue is the deeper question of whether SABC will be able to transform itself into a genuinely independent public broadcaster in the mould of Britain's BBC, or whether it will become merely a mouthpiece for the current ANC-led government.

During the apartheid years, the broadcaster was an effective propaganda instrument wielded by the former government, adroitly manipulating television and radio news to

reflect its vision of South Africa.

Since the accession to power of former President FW de Klerk in 1989, the organisation has been trying to transform itself into a genuinely representative national broadcaster, with a firm commitment to freedom of expression and freedom of the press, a goal officially supported by the present government.

But critics charge that the corporation's new board and management are far too closely aligned to the ANC to be the architects of a reformed, independent institution.

Mr Sisulu, whose father, Mr Walter Sisulu, is ANC deputy-president, was a long-time ANC activist and formerly edited the ANC-supporting newspaper New Nation, while other board members, including the chairman, Dr Ivy Matsepe-Casaburri, are known to have ANC sympathies.

## Plan to fight huge housing shortage

By Mark Suzman  
in Johannesburg

The South African Housing Ministry and the Association of Mortgage Lenders, a group of big banks and building societies, have announced a R2bn (£350m) plan to open up mortgage loans to the lower end of the housing market.

The plan, which will provide for up to 50,000 loans worth R10,000 in its first year of operation, represents the first big initiative by government and the private sector to combat South Africa's huge housing shortage.

The government has agreed to indemnify banks for the first three years of the programme

in case of a breakdown in law enforcement that would prevent them repossessing the property of defaulters.

The new plan appears to indicate that broad agreement on how to implement the policy has now been reached and further initiatives are expected to be unveiled next week at a planned National Housing Summit in Botshabelo, Orange Free State.

Mr Cyril Ramaphosa, ANC secretary-general, yesterday denied reports he was planning to step down from his post at the party's planned national conference in December.

Mr Ramaphosa was responding to press speculation that he was tired of political life.

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## NEWS: WORLD TRADE

T Series engine may be manufactured under licence for use in Proton cars

## Rover signs deal with Malaysia

By Kieran Cooke in Kuala Lumpur and Kevin Done in London

Rover, the leading UK carmaker, and Proton, the Malaysian car producer, yesterday signed a memorandum of understanding which could lead to the manufacture of Rover engines under licence in Malaysia.

Rover, a subsidiary of BMW of Germany, said that the two carmakers would investigate the manufacture of its T Series 2.0 litre petrol engine in Malaysia for use in Proton cars. The

agreement would cover the transfer of technology to Proton, including future developments of the T Series engine range as well as the training of Proton employees in engine assembly and installation.

The memorandum of understanding with Proton follows Rover's final agreement earlier this month with Kia, the second largest South Korean carmaker, for the joint development of a new range of V6 engines which will be built in the UK and in Korea.

Proton, which last year produced 117,000 cars, would use

the Rover engine in its larger cars for sale in the domestic market and for export.

Proton started producing cars in the mid-1980s in co-operation with Mitsubishi of Japan. Mitsubishi initially held a 30 per cent stake in Proton but through various restructurings that has been reduced to around 20 per cent.

While Proton boasts that its car now has a domestic content level of more than 70 per cent, high cost components such as transmission systems are still imported from Japan. The Malaysians have become

frustrated at what they consider to be Japanese unwillingness to transfer technology. They have also been concerned about cost increases following the rise in the value of the yen.

Mr Mohammad Nadzmi, head of Proton, said that Mitsubishi could be affected in the short term, but as a Proton shareholder the Japanese conglomerate would benefit from an improvement in the Malaysian company's profitability.

Proton has a 73 per cent share of the Malaysian market and exported 17,000 cars last year, mostly to Britain.

Rover is believed to be in the final stages of negotiating the sale of up to 4,000 of its Land Rover vehicles to the Malaysian armed forces. Rover is also discussing collaborative ventures in Indonesia.

● Hawtill Whiting, a leading UK automotive design and engineering consultancy, yesterday signed a memorandum of understanding with Bakti Mubibbah, a Malaysian land development company, to conduct a feasibility study into a joint venture high technology business park in the state of Negeri Sembilan.

## Gatt deal hostage to US voters

By Nancy Dunne in Washington

Not many US voters could realistically be said to be thinking much about the General Agreement on Tariffs and Trade. But these days officials of that world trade body think a lot about American voters.

As the mid-term elections in the US approach, world trade officials are increasingly concerned about ratification of the Uruguay Round trade deal.

Mostly as a result of partisan bickering, US trade officials have struggled to get the implementing legislation to Congress in time for a vote this year. In the end, Congress went into recess for the mid-term elections before voting on ratification. They will reconvene after the election for a rare "lame duck" session - many after failing to win re-election - before the new Congress is sworn in.

President Bill Clinton's administration is assuring its trading partners that the deal will win approval by December 1, in time for the launch of Gatt's successor, the World Trade Organisation, on January 1.

Administration vote counts say that at the moment the pro-Gatt forces have 70 votes in the Senate, 10 more than is needed for passage of the treaty. They also maintain they have at least 250 in the House, where they need 218.

But business lobbyists are uneasy about the uncertain political environment. They fear voters may want to "throw the rascals out" and vote in protectionists from both parties. If that happens, defeated or retiring incumbents could be reluctant to vote in the specially recalled session.

Also, incumbents in tight races could go along with foes of the trade pact by committing themselves to vote against it or promising to delay it until next year.

Opponents are warning voters that the Gatt deal would weaken US security, threaten its health, safety and environmental regulations and hurt farmers around the world. They say trade liberalisation has moved US production abroad.

They portray the "fast-track" procedure - frequently used to pass trade deals because it prohibits congressional tinkering - as an effort to sneak a weighty 4,000-page agreement through Congress without debate.

Mr Ross Perot and Mr Pat Buchanan, two former presidential candidates, are leading the opposition on the right. On the left are Mr Ralph Nader, the consumer activist, unions, and environmental groups.

"We will do a national targeted effort to urge the candidates to say before November 8 [election day] whether or not they will vote in favour of the Gatt deal," said Ms Jane Danowitz of the Citizens' Trade Campaign, an umbrella opposition group.

Mr Chris McGinn, a spokesman for Mr Nader's Public Citizen, said: "After the election, we will make the very legitimate point that many people who have been fired by the voters have no right to vote in a lame-duck session." His group will monitor departing congressmen and their staffs.

"That have a direct connection to the Gatt" for conflicts of interest as they seek new jobs. Meanwhile, big corporations that have been financing the pro-ratification lobbying efforts have been slow to pledge additional funds.

But in Ohio, a coalition of businesses is meeting with congressional candidates to describe the opportunities for their companies provided by the Gatt deal.

Caterpillar is backing a coalition of 263 companies in Illinois. "The other side is effective at sensationalising trade issues," says Mr Bill Lane of Caterpillar. "What unifies Nader, Buchanan, and Perot isn't political philosophy. It is that they all believe in protectionism."

## WORLD TRADE DIGEST

## Norway wary of gas pipeline

Norway is increasingly reluctant to participate in the construction of a gas pipeline, the interconnector, linking Britain to Belgium and creating a single market for European gas. Bids outlining equity requirements and space allocation are due for submission on November 23. Proposals covering ownership agreements and financing arrangements are expected to go out soon to companies interested in the project.

An interconnector study group - comprising British Gas, British Petroleum, Conoco of the US, Distrigaz of Belgium, Elf Aquitaine of France and Norway's Norsk Hydro and Statoil - has been studying the feasibility of the proposed pipeline. But Norway's gas exporters are questioning the benefits of participating in the project because of tariffs on routing; their gas through the UK grid to Europe. Norsk Hydro said in August that it was not interested in joining the project. When the Europe trunkline to Germany comes on stream next year, four gas export systems will run from Norway; three to the continent and one to the UK.

Once plans for two additional export lines are realised - to cover substantial additional gas exports to Germany and France - the length of Norway's gas transit highway will be 5,600km, the largest submarine system in the world. The Norwegians are also frustrated by the British government's unwillingness to allow reverse-flow through the interconnector from the continent to the UK. They also claim the British government is linking participation in the interconnector with UK imports of Norwegian gas under existing contracts with Britain's National Power and Scottish Power. Karen Fosell, Oslo.

## Eximbank to favour Beijing

The US Export-Import Bank expects to increase sharply its concessional finance to China to help US business gain access to the world's fastest-growing market. Mr Kenneth Brody, chairman of Eximbank, yesterday said that China had, in fiscal year 1994, become the bank's biggest customer in Asia. Financing of US exports this year to China had reached \$1.3bn, against \$800m in fiscal 1993 - a 63 per cent increase. Mr Brody noted that the bank had applications pending for additional financing of \$3.3bn. He expected priority areas for US business would continue to be the power sector, aircraft sales, airport construction, air traffic control facilities and equipment for aircraft.

This was the first visit to China of a US Eximbank chairman for eight years, and it reflects growing US determination to penetrate the Chinese market. Mr Brody said that under the Clinton administration there had been a significant change of policy. "The US government is going to help US companies to compete and win in the global market place." He said there was "no limit" on Eximbank lending to China within the bank's guidelines, which include provision for project financing and financing of exports of consumer goods, spare parts, raw materials, bulk agricultural commodities and quasi-capital goods. Mr Brody said his bank was seeking to develop closer relations with Chinese institutions, including the State Development Bank. Tony Walker, Beijing.

## Private funds for third world

The private sector will provide about 14 per cent of the total infrastructure finance needed in developing countries by the end of the decade, with governments continuing to be the main source of funds, according to World Bank officials at the World Infrastructure Forum (Asia) in Jakarta. Although there is unlikely to be a shortage of cash as governments inject new life into existing infrastructure funds, "projects will be chasing money, not money chasing projects," said Mr Gregory Ingram, administrator of the research advisory staff at the World Bank. Capital markets are expected to become a significant source for financing, and infrastructure funds, credit rating and credit guarantee facilities are being established throughout the region to help secure loans from commercial lenders. Countries such as Vietnam and China, which lack a well-developed legal framework, are likely to face the biggest obstacles in securing financing from the private sector, delegates at the forum said. Manuela Saragosa, Jakarta.

## CONTRACTS AND VENTURES

■ BASF, the German chemicals manufacturer, and Ivax, the Florida drugs maker, have signed a letter of intent to set up a joint venture to sell generic drugs in Europe. If the deal goes ahead, BASF would take a minority stake in Ivax. This would be BASF's first step into the rapidly growing generics market. It follows acquisitions over the past year in the sector by its two arch rivals in German chemicals, Bayer and Hoechst. BASF would take part in the venture through Knoll, its pharmaceutical subsidiary, which has the rights to 80 generic products. Ivax would contribute a 150-product portfolio at its UK subsidiary, Norton Healthcare, which had sales last year of \$144m. Daniel Green, London.

■ Samsung Electronics, a unit of the South Korean Samsung Group, will invest \$30m in a white goods factory in Thailand. The factory will have an annual capacity of 300,000 units, producing washing machines, air conditioners and refrigerators. Samsung Electronics already has a plant in Thailand making 500,000 colour TVs and 100,000 VCRs a year. Reuters, Seoul.

■ Hydraco Enterprises, International Energy Partners, US Energy Corporation and Precursor Systems have closed financing for their 60MW slow-speed diesel generating facility to be located in Kingston, Jamaica. The \$138m plant will supply more than 10 per cent of Jamaica's electricity needs and is the largest private foreign investment in Jamaica in more than a decade. Foreign Staff, London.

■ Asahi Techno Vision, wholly owned by Japan's Asahi Glass, is building a second glass panel manufacturing plant in Singapore at a cost of \$330m (US\$202m). The plant will have an annual capacity of 13m panels and is due for completion by May 1995. Reuters, Singapore.

■ Deutsche Aerospace, the Daimler-Benz unit, has been awarded a DM26m (\$17.3m) contract by the Defence Ministry to produce 24 antenna towers for the Hawk surface-to-air missile. The contract will be carried out between 1995 and 1997 by the Data Information and Communication Systems division of its Daimler unit. AFP, Friedrichshafen.

■ Burma is discussing the purchase of 1,000 tractors from China and the possibility of setting up a joint venture to produce tractors, electric motors and generators. Reuters, Rangoon.

## Chinese using Apec to force pace on Gatt

By Tony Walker in Beijing

China appears intent on slowing progress towards agreement on the Asia-Pacific free trade zone pending resolution of its dispute with the US over membership of the General Agreement on Tariffs and Trade and the granting of unconditional Most Favoured Nation trading status.

Mr Li Zhongzhou, director-general of the Department of International Trade and Economic Relations, yesterday indicated that Beijing would use the Apec card to exert pressure on the US in Gatt negotiations. China objects to continued US refusal to grant unconditional MFN as part of a Gatt agreement and says this violates a "fundamental principle" of international trade.

"China is basically in favour of trade liberalisation, but on the condition that we enjoy the same kind of privileges as other members of Apec," said Mr Li just weeks before leaders of member economies are due to meet in Indonesia to discuss the free trade zone proposal.

China is locked in difficult discussions with the US on Gatt accession, with the Americans demanding further trade liberalisation as the price of entry. Washington has also made it clear that US law prevents it granting China unconditional MFN.

Mr Li said members of Apec should proceed cautiously in trade liberalisation. "Taking into account the diversity of the economies in this region it

may not work properly if you take a decision to liberalise immediately."

He was commenting on an Australian proposal that would turn the Asia-Pacific region into a free trade zone by the year 2020. Australia hopes the Apec meeting scheduled to begin on November 14 will endorse such an aim.

The Chinese official indicated acceptance in principle of Australia's proposal for an Asia-Pacific free trade zone, but stressed that China's acquiescence would be linked with Gatt accession and a resolution of the MFN issue.

China and the US have been negotiating terms for Gatt entry since August following presentation of a 900-page Chinese proposal to a working party in Geneva. US officials say progress has been made, but "more work" is required on such issues as tariff reduction and market liberalisation.

Beijing is anxious to be a founder member of the World Trade Organisation when it succeeds Gatt either on January 1 or July 1 next year. But Mr Li warned that China would find it difficult to make further concessions on key issues.

"We have negotiated for eight years," observed. "If the negotiating parties are not ready to accept China, it might be better for us to say there is no use pursuing this further... We would then do whatever we deem necessary to accelerate our economic development."

## Tariff cuts 'will stabilise world food markets'

By Frances Williams in Geneva

The Uruguay Round trade accord will lead to more stable world food markets in the coming decades and open up important new markets for efficient agricultural producers, according to the General Agreement on Tariffs and Trade.

The Gatt secretariat, which has analysed the impact of reductions in tariffs and other trade barriers negotiated over the eight years of talks, says new market opportunities will be of particular value to developing countries exporting temperate food products where protection in the industrialised world has been greatest.

Developed countries, which account for about two-thirds of world imports of farm products, will cut tariffs by an average of 37 per cent over six years, according to Gatt's calculations. Above average tariff cuts will apply to oilseeds, flowers and plants and below average reductions to sugar and dairy products, with other tariffs declining by close to the average.

For tropical products - which comprise half the agricultural exports of developing

nations - the average tariff reduction will be 43 per cent. Under the terms of the Uruguay Round farm trade accord, countries agreed to convert all import restrictions into tariffs and reduce those tariffs by at least 36 per cent over six years for industrialised countries and 24 per cent over 10 years for developing countries.

Gatt says minimum market access commitments by countries which previously had closed markets will boost coarse grain imports by 1.76m tons and rice imports by 1.03m tons. Total outlays on domestic support for farmers will fall by 18 per cent from \$197bn to \$162bn.

In addition, export subsidies will be cut by 36 per cent from \$21.3bn to \$13.7bn by the end of the transition period. These reductions will bear most heavily on highly subsidised products such as wheat, beef, coarse grains, dairy products and sugar. Gatt points out. The quantities of exports that can be legally subsidised will be reduced by 21 per cent. During 1986-90, developed countries subsidised annually on average 42.2m tons of wheat, 19.5m tons of coarse grains, 1.8m tons of sugar and 1.2m tons of beef.



## Black Sea states see the trade tide turning

The collapse of the Soviet Union and the emergence of the Caspian Sea region as one of the most promising oil and gas suppliers in the early 21st century have profoundly altered the strategic importance and trading potential of the Black Sea and the newly independent states that surround it.

This week in the Bulgarian Black Sea port of Varna, energy officials from the 11 member countries of the Black Sea Economic Co-operation group held their first working meeting. On the agenda was setting up a regional energy centre, to be based in Sofia, to co-ordinate joint projects.

Mr Charalambos Tsardanis, director of the Institute of International Relations in Athens, told a recent meeting of Balkan and Black Sea experts in Sofia that "the energy sector is one of the priorities for Black Sea co-operation, and joint ventures in oil and gas will bring closer links between our region and the European Union."

Turning the rhetoric into reality will require considerable political skill, however. The region is fraught with conflict, such as that between Greece and Turkey or those that have led to conflict between ethnic Armenians and Azeris for control of the Nagorno-Karabakh enclave.

This and other regional conflicts in Chechnya, Abkhazia, Georgia and elsewhere have allowed Russia to reimpose itself as the regional power in the Caucasus through "peace-keeping operations" which many suspect are a way to reassert control over energy exports from the region.

Moscow's response to the loss of empire is leading to a partial restoration of its former dominance of the Black Sea. Independence gave Ukraine control over Odessa and 14 other smaller ports, while the collapse of the Warsaw Pact ended Soviet influence over Bulgarian and Romanian ports such as Constanta with its upstream links to central Europe via the Danube.

The collapse of the Soviet empire left Russia with Novorossiysk as its only Black Sea port of any consequence. Now this port city, which lies at the end of a Soviet-era pipeline bringing oil for export from the Urals and Caspian Sea region, is rapidly becoming the key to developments in the region.

Novorossiysk's new-found strategic importance has spawned ambitious development plans for new pipelines, higher cargo capacity and improved oil storage and other

port facilities. The aim is to make it the principal export harbour for the sharply higher oil and gas volumes expected to start flowing early in the next century. For this to happen, however, the international oil and gas companies still have to reach agreement on both the exploitation and transport of the vast reserves known to exist under the Caspian Sea, in Kazakhstan and elsewhere in central Asia.

Until now most Russian export oil has been shipped in huge tankers through the Bosphorus. But a series of accidents and growing ecological concerns led Turkey in July to restrict tanker traffic along the busy and vulnerable waterway. Reluctant to lose out from the

attacked the outgoing government's decision to allow full tax relief on the proposed joint venture company, which is subject to approval by the new parliament after the December 15 elections.

Meanwhile, Russia's choice of fellow-Slav Bulgaria as its main partner for future energy and other co-operation is underpinning ambitious plans for port developments at both Varna and Burgas.

Mr Dimitar Alexiev, the captain of Burgas port, has drawn up a \$250m development plan with technical assistance from Barcelona and Hamburg. It calls for a four stage expansion and modernisation of its container, roll-on-roll-off (ro-ro) facilities, bigger coal and ore terminals and expansion of the oil terminals which at present can only accommodate 80,000dwt tankers, compared with 250,000dwt at its arch-rival Constanta.

The shift in Bulgarian trade away from 80 per cent dependence on the Soviet and Comecon markets five years ago to more than 50 per cent trade with OECD markets this year has already brought newcomers such as South African ore carriers and American coal ships to the harbour. Bulgarian ports also now handle the bulk of trade with Macedonia following the Greek blockade of the landlocked republic.

The re-emergence of the Black Sea as an important link in growing trade between Europe, Central Asia and the Middle East is particularly important for Bulgaria and is not confined to future energy trade or links with the former Soviet states.

Earlier this year Iran signed a protocol to ship 3.5m tons of cargo a year through the expanded ro-ro facilities planned for a new Burgas terminal. For political reasons Tehran is determined to avoid dependence on Turkey and plans to import 6m-7m tons annually through Burgas and other Black Sea ports by the end of the century. The plan is to ship cargo from Europe and elsewhere across the Black Sea to Poti and then truck it through Georgia and Azerbaijan.

Rover, the UK-based subsidiary of the German BMW group, has been among the first western companies to spot the potential for manufacturing in the region. Last month it decided to set up a car plant at a dockside site near Varna that will import knocked down components by ship from the UK and export assembled cars to markets around the Black Sea rim.

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## Peru president's rebel wife faces election ban

By Sally Bowen in Lima

Peru's national electoral board has disqualified the new party of Ms Susana Higuchi, President Alberto Fujimori's estranged wife, from fielding candidates in next April's presidential elections. If the decision is upheld, it will end Ms Higuchi's ambitions of unseating her husband.

Since August the presidential couple have been engaged in a bitter feud. Ms Higuchi first attacked her husband's policies, and then moved out of the presidential palace and renounced her role as First Lady to pursue her own political ambitions.

Under Peruvian law, newly formed parties must present

evidence of at least 100,000 supporters. According to the electoral board, fewer than 12,000 of the 147,000 signatures presented by Harmony 21st Century, Ms Higuchi's party, were valid. Ms Higuchi said she would appeal against the board's decision. She has blamed its computer system for the rejection of her supporters. Many of them, she said, were women who had signed with their husband's surnames, which technically invalidated them. She has also called for a march in support of her party today.

Earlier this week, Ms Higuchi accused Peru's national intelligence service of attempting to quash her candidacy through "high-tech fraud". She

claimed 150,000 signatures had been erased from her party's computers during a Lima power black-out which affected only the block where her campaign offices are located.

It is not clear whether Ms Higuchi can appeal against the board's decision. In previous elections candidates were given leeway to rectify technical errors and come up with the number of valid signatures required. But even if she clears this obstacle, Ms Higuchi faces another. A law passed in July prohibits close relatives of the president from standing for office. Ms Higuchi has complained to the Organisation of American States that this law violates the right of any Peruvian over 35 to stand for office.



Ms Higuchi holds up a disk. She alleges 'high-tech fraud' by intelligence agents affected her party's computers

## Housing figures alarm markets

By Nancy Dunne in Washington

A sharp rise in US housing starts and evidence of higher personal incomes yesterday reawakened market fears of higher interest rates.

Housing construction returned to the high levels of last year with a 4.4 per cent jump in September to 1.53m units, and personal income rose by 1.9 per cent in the second quarter, a yearly rate of 7.7 per cent. Jobless claims for the week ending October 15 fell by 3,000 to 326,000. Merrill Lynch said the job market remained healthy, but it expected increases in employment to slow during the fourth quarter.

The figures came the day after US trade figures for August showed a narrowing of the trade deficit, and record exports of almost \$60bn.

This good news for the "Main Street" economy alarmed the bond market and revived expectations of further tightening by the Federal Reserve next month.

Mr Ron Brown, the commerce secretary, tried to discourage inflation fears. Although housing activity has returned to the high levels of last year, he said, "this, in conjunction with moderate September increases in consumer and producer prices, is further evidence that the economy will continue to expand in the near term with no significant increase in inflation".

Economists had expected a decline in housing starts. Even more surprising was a 6.5 per cent increase in recorded building permits in September, a third consecutive monthly advance. It indicates future strength in the sector.

The Federal Home Loan Mortgage Corporation said mortgage rates averaged 8.68 per cent in September, up from 6.74 per cent a year earlier. The higher rates had been curbing construction, but some economists believe that these are being countered by growing employment and income, and expectations of further rises.

## Anti-immigration campaigners test their strength

California's ballot on a crackdown on illegal immigrants leaves even conservatives uncomfortable, writes Jurek Martin



US MID-TERM ELECTIONS November 8

The motorist heading south towards the Mexican border blinks twice and slows down to make sure the eyes are not playing tricks. But a few hundred yards on there is another one and then another. It is a road sign, all right, but very different from the familiar walking stick figure that warns of frequent pedestrian crossings. Instead, there are three figures, a man, a woman and a child, bent low and running.

It is a road sign which, in theory, would be made redundant if Proposition 187 is approved by the voters of California on November 8, as all the polls now suggest it will. For this measure, known by its proponents as "save our state", is explicitly designed not merely to discourage illegal newcomers but expose those already here.

The proposition would ren-

der "undocumented aliens" ineligible for state education and non-emergency health care. It would also require schools and hospitals to check in advance the immigration status of those seeking education or hospital treatment and to report to the state each case in which even "suspected" illegal residence exists.

The California initiative process - whereby citizens can initiate a state referendum on particular issues - frequently produces controversy and sometimes eets national trends. In 1978, Proposition 13, which passed, cut property taxes deeply, setting the stage for the Reagan administration; in 1990 the environmental movement finally overreached itself with its "big green" initiative, which lost.

Proposition 187 is of potentially comparable importance on several counts, including US relations with its southern neighbour. Mexico's foreign ministry last month complained of "racist and xenophobic" overtones in the California debate and warned that the improvement in commercial and economic relations

brought about by the North American free trade agreement could be at risk.

But its most immediate impact is domestic. Politically, it is yet another test of the strength of the resurgent and populist "America first" movement, fed up with almost everything, especially government, and looking for scapegoats, of which the foreign-born almost everywhere have been a tempting target.

It has become a cause fanned by rightwing talk show hosts and hitherto obscure organisations like the Federation for American Immigration Reform (FAIR), whose larger goal often appears to be to keep out everybody. Some conservatives, however, are rendered uncomfortable. This week Mr Jack Kemp and Mr Bill Bennett, formerly in the Bush cabinet, condemned the proposition's "constitutionally questionable solutions which are not consonant with our history".

In California, it pits the federal government, which opposes it, against Governor Pete Wilson, the moderate Republican who, yet again, has

shifted to the right in an election campaign. His support for it, initially reluctant but now full-throated, has clearly helped his surge to the front against Ms Kathleen Brown, his Democrat opponent.

Yet Mr Wilson's strongest constituency, the state business and professional establishment, is openly nervous about the proposition's consequences. Typical was an editorial in the conservative Union-Tribune of San Diego, whose city supervisors last month voted "an immigrant state of emergency". It concluded: "Before buying into its false promises, voters should take a good look at the final print."

These fears may derive from self-interest, since Californian business, notably agriculture, has long relied on immigrant labour and has often not been too particular about documentation. But the fine print was carefully examined this summer in a report from the office of the legislative analyst in Sacramento, a non-partisan state agency.

It calculated that more than \$15bn a year of federal health and education funding to Calif-

ornia would be put at risk because of Proposition 187's violation of federal laws. This far exceeded estimated annual savings of a mere \$300m from reduced public services and even this was partly offset by the extra cost of verifying residency status, put at "at least \$100m" in the first year and "tens of millions" thereafter, primarily chargeable to the counties and school districts least able to bear it.

The legal problems are not to be dismissed. A 1982 Supreme Court ruling requires states to admit the children of illegal immigrants to public (state) schools under the equal protection amendment to the constitution. Also, an act of congress orders the severance of federal funds to any school disclosing confidential information without written parental consent.

The latest salvo against the proposition has come from the medical profession. A study published on Tuesday by the University of Southern California saw a real risk from the spread of communicable diseases, such as tuberculosis, syphilis and Aids, if fear of being reported deters illegal

immigrants from seeking medical treatment.

But expert and moral opinion cannot hide under the rug the real and perceived problem of illegal immigration, especially in California. The Immigration and Naturalisation Service estimated in April that there were about 1.6m illegal immigrants in the state, a third of whom had simply overstayed their tourist and student visas, and that 125,000 more were arriving each year, mostly from Mexico.

These numbers would have been nothing when California's economic horizons were limitless, but the state is only now emerging haltingly from the deepest recession in 60 years. The popular perception, shared, according to polls, by 50 per cent of legal Hispanic residents, is that scarce resources are being spent on those who have no right to be here in the first place.

Mr Wilson claims that nearly a tenth (about \$3bn) of the state budget is now eaten up by the costs of providing healthcare to illegal immigrants and of educating their 300,000 children. This is why,

along with the governors of Florida and Texas, both also up for re-election, he is suing Washington to foot the bill. But he concedes that the constitutionality of Proposition 187, assuming it passes, is bound to be tested in the courts.

There are, of course, other approaches to the problem, including tighter policing of the border, reinforced again in the past month, and tougher penalties on companies who knowingly hire illegal immigrants. In August a federal advisory commission went so far as to recommend a national computerised employment registry to verify the status of immigrant job applicants, but was given short shrift by the Clinton administration.

But Proposition 187 offers the public a first crack at the issue. Ironically, it all began when Mr Ron Prince, a southern Californian accountant, was enraged after being defrauded by a builder who was an illegal immigrant. His movement caught fire but somehow lost in the smoke was one simple fact. The contractor was a Canadian.

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## NEWS: UK

Government moves closer to accepting that ceasefire is permanent

## Premier to answer IRA today

By David Owen in London and John Murray Brown in Dublin

Mr John Major is expected today to make an important announcement on the way ahead for the peace process in Ireland amid strong suggestions that the government is about to start a staged response to the IRA ceasefire.

The prime minister is expected to use a visit to Northern Ireland today to announce that London is to lift the exclusion orders banning Mr Gerry Adams and other prominent Sinn Féin members from visiting the British mainland.

The prime minister's visit comes after a meeting of senior ministers yesterday which gave him a free hand to press on towards talks with republican leaders by Christmas.

Downing Street said the government was moving towards adopting a "working assumption" that the IRA ceasefire was permanent.

Downing Street also said that Mr Major and Mr Albert Reynolds, his Irish counterpart, are to hold talks in England on Monday.

In what will be their first face-to-face meeting since the IRA and loyalist ceasefires raised hopes of a permanent end to sectarian violence in Northern Ireland, the two men



Leaders of the Sinn Féin party at government buildings in Dublin yesterday: front left, press secretary Rita O'Hara; back from left, executive member Martin McGuinness; general secretary Declan Breatnach; president Gerry Adams; vice-president Tom Doherty

will discuss the joint framework document with which they hope to inject momentum into political talks involving the province's main constitutional parties.

But there was no change yesterday in Downing Street's formula for replying to questions on the document's expected completion date: a spokesman said only that the government hoped to complete it by the end

of this year. In Dublin yesterday, Mr Reynolds met Mr Adams to discuss progress on the peace process and plans for a national forum for peace and reconciliation.

Mr Adams described the meeting as "constructive and friendly". He said: "The momentum for real peace is still there, and is building," but he criticised the "hesitant faltering and begrudging" British

response to the IRA ceasefire. Dublin is consulting with all political parties this week in a bid to finalise preparations for the forum. Mr Reynolds is anxious to use it to commit Sinn Féin to the democratic process as early as possible.

Meanwhile, Mr Tony Newton, leader of the House of Commons, announced that MPs would be able to debate the situation next Thursday.

## Blair reshuffles shadow cabinet

Mr Tony Blair, leader of the opposition Labour party, yesterday announced a thorough shake-up of the party's shadow cabinet designed to promote fresh blood and put the key economic departments in the hands of close political allies.

Our Political Correspondent writes. Members of the shadow cabinet, who are elected by MPs, are intended to take over from ministers if the government is defeated.

After a day of tortuous negotiations with the 18 shadow ministers elected on Wednesday, Mr Blair settled on a line-up in which only five portfolios remain unchanged.

Mr Gordon Brown remains shadow chancellor of the Exchequer, Ms Harriet Harman becomes shadow employment secretary and Mr Jack Cunningham, takes over as shadow trade and industry secretary.

All three support the "modernising" group which has helped Mr Blair to move Labour away from its former tax-and-spend economic philosophy. Mr Robin Cook becomes shadow foreign secretary.

Mrs Margaret Beckett, who unsuccessfully contested the leadership on a broadly traditionalist platform, was appointed shadow health secretary.

## MPs deplore 'incredible' errors over defence orders

By Bruce Clark

Taxpayers have forfeited millions of pounds, and important weapon systems have been unnecessarily delayed, because of poor management and "incredible" errors, the House of Commons defence committee said yesterday.

In a detailed study of four kinds of military equipment, the MPs called for the civil servants responsible for such mistakes to be "reprimanded or otherwise penalised".

The committee found that the cost of developing an earth station to receive signals from military satellites had soared by 62 per cent to £99m because the project had not been properly defined in advance.

The price of a new system to scatter mines from a vehicle

had also risen "significantly" from £37m. The Ministry of Defence was "in some confusion" over how to explain this, according to the committee.

It sharply criticised the ministry's rejection of an offer by International Business Machines of a flexible, inflation-linked price in a contract for 44 Merlin helicopters. The ministry's failure to examine IBM's offer fully was described as "grossly negligent" behaviour which might have cost up to £36m.

However, the committee acknowledged that new procedures, introduced at the ministry over the past year, should avoid such mistakes in future. Analysing the multinational project to make Trigat anti-tank missiles, the committee noted that Britain found itself

helping to develop a weapon which it might well not need. But after negotiations on price with France and Germany, however, the ministry concluded it would be cheaper to stay in.

"The Ministry of Defence has found itself in the highly unusual position of continuing to participate in the development programme for a missile for which it has no specific programme," the report noted.

Long-range Trigat missiles might be used on helicopters or armoured vehicles, but this was "by no means a foregone conclusion".

The MPs were perturbed because the project for medium-range Trigat missiles, due to come into service in the year 2000, was 52 months behind the original schedule.

## Labour leader slams 'sleaze'

By David Owen

Mr Tony Blair, leader of the opposition Labour party, yesterday set out the party's proposals for raising standards in public life as he warned Mr John Major, the prime minister, that the government was becoming tainted by allegations of "sleaze".

The Labour leader put forward measures designed to restore "the confidence of the British people in their government". His move came as it emerged that a future Labour government would probably force companies to ballot

shareholders before making political donations.

Mr Blair's proposals were:

- No minister who has privatised a company should subsequently end up on its board.
- A list of all members of quangos (semi-state bodies), payments, perks and any position with any political party should be published by the government.
- The "cash-for-questions" inquiry should be broadened, "held in public and be made fully independent".

Questioned on whether Labour would require companies to ballot shareholders before making political donations, Mr John Prescott, deputy leader, said: "It is one of the proposals we have made as a suggestion."

Referring to an "imbalance" in the treatment of political donations from companies and trade unions, Mr Prescott said it was not a situation that Labour was "prepared to allow to continue".

Labour also launching a detailed study of links between appointments to quangos and the Conservative party. It said government appointments to quangos were "inextricably linked" to the financing of the party.

## UK ECONOMIC NEWS

## Exports boost car production

A rise in exports helped to boost UK car production by 7.3 per cent last month to 125,138, the highest level for the month for 21 years, Our Motor Industry Correspondent writes. Production for export rose by 17.9 per cent year-on-year to 55,136 while output for the domestic market rose only by 1.1 per cent to 70,003. UK car production in the first nine months of the year has risen by 3 per cent to 1,076,001, but the rate of increase has accelerated during the past four months, despite the marked slow-down in the growth of new car sales in the domestic market.

Export production in the first nine months has risen by 6.1 per cent to 418,134, while output for the home market rose by 1.1 per cent to 656,867. Export growth has come from Rover, including in particular its Land Rover four-wheel-drive vehicle division, as well as from Honda and Toyota, which are both developing new car plants in the UK with around three-quarters of production earmarked for export.

Rover, an offshoot of BMW of Germany, announced earlier this week that it was planning to create 1,450 new jobs at its UK plants during the next six months in order to raise output to meet rising sales in particular in export markets.

Production of commercial vehicles in September rose by 15 per cent year-on-year to 20,763. Commercial vehicle output has begun to recover from recession this year rising by 16.6 per cent to 166,150 in the first nine months and halting the almost continuous decline since the end of the 1980s.

Production peaked at 466,000 in 1993. It fell by 22.2 per cent last year to only 193,414, the lowest level of output since 1948. In a highly cyclical market truckmakers are raising output this year in response to strongly rising demand in the domestic market.

## Receiverships up in quarter

Receiverships for the three months from July to September increased by 5.8 per cent on the previous three months, according to figures from accountants KPMG Peat Marwick.

In all 508 corporate failures were recorded during the third quarter compared to 480 in the second quarter.

Despite the increase the total number of receiverships for the first nine months of 1994 is down on the same period in 1993 - 1,579 compared to 2,332.

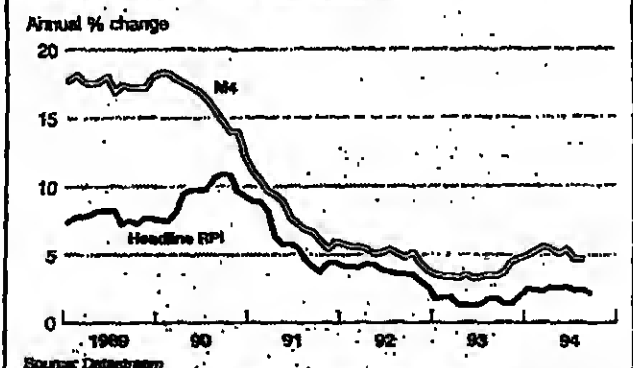
Mr Tim Hayward, KPMG's head of corporate recovery, said: "Whilst it is disappointing to see that the numbers are up on the previous quarter, it is heartening to see that so far this year there has been a massive drop when compared with the same time last year. I am hopeful that we will see a reduction to around 2,000 receiverships for 1994 as a whole."

## Mortgage lending slides

The rise in interest rates last month appears to have hit mortgage lending - with commitments to new loans made by building societies in September slipping from the previous month. However, the rise of 0.5 of a percentage point in interest rates also helped societies - by boosting the inflow of customer savings.

Statistics released yesterday by the Building Societies Association show that net new commitments last month dropped to £2.97bn compared with £3.02bn in August. In 1993, the September figure was £2.58bn - increased from £2.43bn in August. The monthly loans figures are an important forward-looking indicator as they translate into lending carried out in following weeks. New net lending in September totalled £1.1bn, against £1.13bn in August and just £747m in September last year.

## Inflation and money supply



Bank lending grew at a faster rate than expected in September, but the overall growth of UK credit is still quite subdued. Figures released by the Bank of England yesterday show that M4, the government's measure of broad money supply, grew by a seasonally adjusted 0.4 per cent between August and September.

Over the 12 months to September, it has risen by 4.3 per cent, well towards the lower end of the government's 3 per cent to 9 per cent monitoring range. Mr Nigel Richardson, head of bond research at Yamaichi International Europe, said that consumer credit growth was quite strong while corporations were merely replacing bank debt with funding from sources such as bonds and equities.

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## Big cuts likely in cost of transatlantic calls

By Andrew Adonis

Large cuts in the price of transatlantic phone calls are likely after the UK government's decision yesterday to allow a new form of telecommunications competition between the US and UK.

International simple resale (ISR) allows telecoms companies to resell to their customers capacity leased from the main transatlantic carriers at a discount to present tariffs. They can then connect the calls into the public networks in both countries.

With leased line prices only a fraction of existing transatlantic tariffs, new telecoms operators are expected to offer cut-price services. This is likely to force the main telecom operators - including American Telephone and Telegraph, British Telecommunications and Mercury of the UK - to cut their transatlantic prices

to fight off the competition. The government has licensed 19 companies to offer ISR services, and other applications are likely. Business users, who account for most transatlantic telecoms traffic, are likely to be the main gainers - particularly small and medium-sized businesses that have gained less than large companies from competition in the telecoms market.

Announcing the decision, Mr Michael Heseltine, secretary of state for trade and industry, said: "This new competition will put pressure on the prices currently charged for international calls to and from the US."

The decision to allow ISR follows more than a year of consideration by telecoms regulatory authorities in the US and UK. There was concern that the telecoms markets in both countries should be open to new competitors in order to

prevent operators in either country from gaining an unfair advantage.

Mr Heseltine said ISR underlined the UK's status as one of the world's most open telecoms markets and would "serve to make Britain an even more attractive place in which to invest and do business, and from which to export."

It is also likely to increase the pressure on mainland European governments to open up their telecoms markets, most of which remain monopolies. At present, voice telephony will not be subject to competition in most of the European Union until 1998.

International simple resale is already permitted between the UK and Australia, Canada and Sweden - countries which have similar open telecoms regimes. No other ISR agreements are imminent.

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## Lloyd's may alter rule on debts

By Ralph Atkins  
Insurance Correspondent

Lloyd's of London yesterday provoked a fresh confrontation with loss-making Names by unveiling plans intended to ensure damages won in court by Names for negligence are used to settle their outstanding debts at the insurance market.

Mr David Rowland, Lloyd's chairman, said the rule change was a response to pressure from members who had settled accounts and were annoyed at those who had not.

But action groups representing Names said the move was likely to be challenged in the courts. "Many burnt Names have taken the most horrendous risks in pursuing legal action," said Mr Tom Banyon, director of the Society of Names, which represents loss-making members. "Now many will feel it's 'tells they lose, heads Lloyd's wins'." He said a one-month consultation period on the plans announced by Lloyd's was "a figment".

The change - subject to government approval - would affect the deeds of "premium trusts" held by Names, whose assets have traditionally supported the market. These funds are used for receiving premiums on behalf of members and for paying out claims and profits.

To protect those taking out insurance policies at Lloyd's, the insurance market has set up a "central fund" which is used to pay claims when Names' funds are not sufficient. Currently the corporation is pursuing members for £1.2bn paid on their behalf.

A 1992 court case made clear compensation payments for negligence did not have to be paid into the premium trusts. Lloyd's intention is that in future they should - up to the level required to cover Names' outstanding liabilities.

The rule change may well have been provoked by the question mark over whether members of the Good Walker Action Group would use damages estimated at £504m, which it won in the High Court earlier this month, to settle debts with Lloyd's.

## UK NEWS DIGEST

## Minister to fight 'crazy' CAP rules

Mr William Waldegrave, minister of agriculture, said in the House of Commons he would fight any "crazy" and "mad" provisions of the European Union's Common Agricultural Policy. Mr Waldegrave said in his first Commons question time as agriculture minister that it was "entirely mad" that money should be spent discouraging people from smoking while at the same time the European Union was subsidising farmers to grow tobacco.

He said he wanted to see a CAP which was simpler to administer and which set prices nearer to those on world markets. "We need to get rid of some of the idiocies such as the wine regime where we pay for the conversion of low-grade Italian wine into industrial fuel and then send it to Brazil to put into cars," he said. "That seems to be crazy."

## Boost for lottery ticket sales



THE NATIONAL LOTTERY

The Counters offshoot of the Post Office announced extended Saturday opening hours in order to increase its share of sales of tickets for the National Lottery, which will start on November 14. There have been complaints from some outlets including pubs that their opportunities for selling tickets are being unfairly limited. For the first time 178 main post offices will stay open until 7pm every Saturday. Each post office selling the tickets will make on-the-spot payments for prizes up to £10,000. Counters says it will be the only retailer providing that facility. Mr Richard Dykes, Counters managing director, said: "Post offices are the natural home of the lottery - we are Britain's biggest single retailer of lottery tickets. This is a real winner for our 28m customers who already visit post offices each week, as well as the extra people."

## Monsanto accused in milk row

The gathering controversy over licensing in Europe of a milk-boosting hormone for cows takes a new turn with three UK scientists accusing the manufacturer of seeking to suppress research pointing to adverse effects on the health of cows. Writing in the weekly scientific journal *Nature*, the scientists say that Monsanto, the US biotechnology company, provided them with results of trials on the incidence of mastitis in cows treated with the hormone, but refused to let them publish their analyses of the data.

European Union agriculture ministers are due to decide at the end of the year whether to lift a ban on the use of bovine somatotrophin (BST). The hormone, an artificially produced version of one that occurs naturally in cows, increases milk output by up to 15 per cent. It went on sale in the US in February, but is opposed by the European Commission, which says milk is in surplus.

The scientists say they pooled the results of eight trials by Monsanto. They found that BST treatment produced an average 19 per cent increase in the somatic cell count - associated with an increased risk of mastitis - which was highly unlikely to be due to chance. Their request for publication in a veterinary journal was refused by Monsanto's office in Brussels in 1991 and 1992 on the basis that the raw material, and any subsequent analysis of it, was confidential, the authors say.

## Legal move on missing earl



The family of Lord Lucan has launched a legal attempt to have the missing earl, who is still wanted for murder, officially "sworn to be dead". The file on Lord Lucan at Scotland Yard has been kept open since the earl disappeared almost 20 years ago after the murder of his children's nanny in London. Lord Lucan is still listed in Who's Who. Lord Lucan, born nearly 60 years ago, was descended from the Lord Lucan who in the

Crimean war gave the order for the fateful charge of the Light Brigade. Scotland Yard has been told of several claimed sightings in several countries every year since he disappeared, but none has been confirmed.

Lord Lucan is accused of murdering the nanny and of attempting to murder his wife at their home in London. Solicitors acting for the family trustees are expected to ask a High Court judge to have Lord Lucan "sworn to be dead".

## Smoking by adults down 20%

Smoking by adults in Wales has been cut by nearly 20 per cent in the past eight years, says Health Promotion Wales. But smoking by young people, particularly women, remains "stubbornly high" adds the government organisation which has studied findings from a long-term survey of habits in more than 15,000 households.

More adult men are giving up cigarettes in Wales than women, of whom 28 per cent smoked last year compared with 33 per cent in 1985. The proportion of males who smoke fell from 41 per cent to 32 per cent over the same period. Although more people are drinking sensibly and taking regular exercise, there has been an increase in those who are either overweight or obese.

## Ruling on airport's rail station

Gatwick Express, the state-owned company which runs the rail station at London's Gatwick Airport, is to tone down its advertising and give greater prominence to the activities of connecting services, Our Transport Correspondent writes. The move follows an investigation by Mr John Swift, the government's rail regulator.

Mr Swift yesterday accepted that Gatwick Express, which also runs trains from London Victoria to the airport, was taking "the appropriate management action" to ensure its staff acted impartially. But he will continue to monitor the situation at Gatwick.

His ruling is important because it lays down practical guidelines for station operators. Three companies run services from Gatwick to central London: Network SouthCentral, Thameslink and Gatwick Express.

The regulator investigated after claims that Gatwick Express was discriminating in favour of its own services.

## US group may go to 'Silicon Glen'

By Alan Cane

Norka Group, a privately owned US high-technology company, confirmed yesterday that it intends to establish a factory creating between 200 and 400 jobs in the UK.

Mr Eugene Taylor, Norka chairman and chief executive, said the favoured site was Livingston, Scotland, although the company has been offered factories in Belfast, northern Ireland, and northern England.

He said the final choice would depend on the grants and incentives offered. He hoped the decision would be made before the end of the year. Mr Pieter Oosthuizen, Norka's vice-chairman, has already established an office in London. Norka's initial investment is likely to be in the region of £10m.

Livingston is in the heart of Scotland's "Silicon Glen" region which is home to a diverse collection of computer and electronics manufacturers. The combination of skilled labour, access to Europe and a ready market for components

has made the region attractive to companies including NEC of Japan which announced a \$530m investment earlier this month. Norka is a collection of companies whose main assets are a portfolio of patents and licences for products and processes.

According to the magazine *Electronics Times*, which reports the Norka plan today, the factory could initially make memory modules, disk drives and ceramic disks.

The company, based in Akron, Ohio, has plants in the US, and is opening factories in Asia and Europe. It already has a ceramic plant in Sweden; plans for a reverse takeover of a Californian company, KCI International - which would have given Norka ownership of a computer monitor plant in Montpellier, France - fell through earlier this year.

Mr Taylor was a vice-president of Samsung Semiconductor and Telecommunications in the 1980s.

IBM strengthens, Page 19

## Consortium to bid for naval site

By James Buxton,  
Scottish Correspondent

Three companies and a Scottish bank have formed a consortium which may seek to take over the entire 1,200 acre site at Rosyth, which includes the Rosyth naval base, housing and other facilities. The consortium consists of Babcock International, which operates the naval dockyard; Forth Ports, the quoted company which runs all the ports on the Forth estuary; Scottish Power, the electricity company; and Bank of Scotland.

Babcock International will be lodging a separate indicative bid for the dockyard by the end of this month with a view to acquiring it by 1996. But like the other consortium members it believes there

should be a comprehensive approach to developing the entire site.

Rosyth 2000 envisages leasing back to the navy the Rosyth naval base, which is being scaled down to a support facility in two time with the loss of 700 civilian jobs. Under its scheme the dockyard would continue to be commercially managed by Babcock International.

Forth Ports would establish a commercial port along the unused waterfront and use it for shipping bulk cargoes. It could establish also a roll-on roll-off freight and passenger terminal. "The new port would

be a long-term development to complement our existing major ports of Leith and Grange-mouth," says Mr Hugh Thompson, Forth Ports' chief executive.

"It would have the advantage of excellent access to the motorway system and a lot of land behind it for ancillary developments."

The consortium refused yesterday to indicate how much it would have to bid for the site. It pointed out that along with the assets it would also be taking on substantial liabilities. "I genuinely don't know how much it is all worth," said Mr Gavin Masterton, chairman of Rosyth 2000.

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## MANAGEMENT

George Bickerstaffe wonders why  
there are so few women  
taking MBA courses

## Degree of reluctance

Women may be taking over top jobs – but the chances are that many do not have an MBA. Business schools, perhaps surprisingly, remain a bastion of maleness.

The UK-based Association of MBAs (AMBA), drawing on its own surveys and other data, says that the number of women taking MBA programmes in the UK has struggled to stay around 20 per cent of the total since 1989. Before that it was lower.

In the US, in 1991-92, the latest period for which official Department of Education statistics are available, around 35 per cent of masters degrees in management were conferred on women. Anecdotal evidence suggests, however, that female enrolment has since fallen significantly, with some schools said to have dropped from 40 per cent to around 20 per cent.

In some top European schools the imbalance may be getting better, but women are still in a clear minority. At Insead outside Paris admissions of women have just risen to 24 per cent, against 17 per cent in the early 1990s.

At London Business School 27 per cent of full-time and 25 per cent of part-time MBA students are women, figures which are up on recent years. Only 8 per cent of students taking LBS's new MSc in finance, however, are female.

Even at the Open Business School, part of the Open University, less than a quarter of all MBA students are female, although the flexible nature of learning at home might seem better suited to some women.

Business schools would love to have more women on their programmes – but they are baffled as to why women apparently show such little interest in the degree.

"You would have thought it would have been an ideal way to break the glass ceiling," says Leo Murray, director of Cranfield School of Management in the UK (25 per cent women on its full-time and

part-time MBAs). Jason Sedine, associate director of international programmes at ISA, the MBA arm of the prestigious grande école HEC in Paris (again 25 per cent women), believes the corporate sector needs to give a lead.

"In certain fields, such as pharmaceutical marketing, for example, women are moving to really high levels, but not yet the very top," he says. "Business needs to provide more opportunities and role models for women."

The view that it is continuing discrimination in the workplace that prevents women studying an MBA is widespread.

"They can hit chauvinism in their jobs," says Helen Henderson, admissions director at Insead. "People ask them what are they going to do with their husbands and children when they have to travel internationally."

Shelia Cameron, former MBA programme director at the Open Business School, is not sure that is the whole reason. "Distance learning requires a heavy financial and time commitment," she says. "Women find it very hard to juggle a job, family and study."

She also comments that in general women tend to be more difficult about their abilities than men and seem less willing to invest in their own development. More pragmatically, she points out that the OBS MBA is targeted at experienced managers and there are fewer women than men in that group.

Murray also raises the vexed question of age.

"The growing insistence on work experience by MBA programmes tends to work against women," he says. "It puts them in their mid to late 20s, which is a key time for marrying and having a family."

Although the numbers on programmes are relatively low, significantly more women who apply are accepted than men. The business schools are adamant that this does not represent positive discrimination. Women simply are better can-



Spaces to fill business schools would love to have more women on their courses

didates, says Don Martin, director of admissions at the University of Chicago's Graduate School of Business. "There is no question that once on a programme, women perform exactly the same as men. They do every bit as well."

In order to encourage more female recruits Insead has offered sponsored scholarships to women through the pages of Cosmopolitan magazine. Cranfield has had its marketing literature picked over by women MBA students to remove anything that might turn off women. Chicago has revamped its merit-based scholarships to make sure women and minorities are given every opportunity.

It has also carried out some nifty marketing. The university's large and leafy campus is on the south side of Chicago, not an area with the best reputation. The school has run a campaign to counteract worries about its location, including paying for women applicants to fly in and get to know the area.

One approach that none of these has tried is simply to admit only women. But there is a unique business school in Boston that has been doing just that for the past 20 years. Simmons College Graduate School of Management is thought to be the only all-women MBA programme in

the world. It was set up in 1974 by Anne Jardim and Margaret Henig, two women doctoral students at nearby Harvard Business School, outraged by the treatment of women students and by their career prospects.

Simmons runs a traditional rigorous MBA programme with added behavioural courses geared to women's experience of the workplace. It works on the premise that men create hierarchical organisations that look to a leader, whereas women are generally more equality-based and participative.

Jardim, who once commented memorably that "the ceiling isn't glass; it's a very dense layer of men", explains why she thinks women do not take MBAs. "Traditional programmes do not take cognisance of the barriers women have to face," she says. "Where that added-value is present, women will buy into it."

Not all business academics accept that this approach is really favourable to women. Many believe that an all-women learning environment is not the ideal preparation for the business world. But Jardim contends that Simmons students are not "cosseted" and offers to back her graduates against women graduates from any top school.

CHRISTOPHER LORENZ

## Putting re-engineering in perspective



A large European multinational company recently launched a root-and-branch redesign of its two most important operating processes: the way its units in a dozen countries develop new products together; and its "order to delivery" cycle. The latter covers the processing of customer orders through the company's sales organisation to its many factories across Europe, and the delivery of products back to the market. The primary goal of both projects is for the company to become more responsive to customer demands, cutting time and costs sharply.

Both projects are examples of real "business process re-engineering": rather than merely improving existing processes, they involve a fundamental redesign. But the company has not attached a "re-engineering" label to either of them.

This is not because it shares the now widespread fear that any re-engineering exercise worthy of the name will provoke resistance among many of the managers involved. Nor is it because of an associated problem: that re-engineering has been so hyped and misunderstood over the past 18 months that it is getting a bad name among many top management circles for failing to deliver anything like the promised results.

Instead, the company is avoiding the term for a deeper reason: that it knows the re-engineering of such processes is only one part of a jigsaw of tricky, interlocking changes that must be made if it is to achieve its newly formulated "vision" of delighting customers, rather than just satisfying them, and of becoming the best company in its industry, rather than just a competent leading player.

It sees four sets of parallel changes as all-important to this transformation: first, breaking down barriers between its different disciplinary specialists and national units by a series of procedural and structural steps, of which the re-engineering of cross-unit processes is only one; second,

developing an explicit set of values and behaviour guidelines which are subscribed to (or "shared") by everyone in the organisation; third, redefining the role of management in order to foster much more empowerment, responsibility and decisiveness at every level. All this requires the creation of the fourth factor: an unprecedented degree of openness and trust among managers.

The company's approach is in line with the conclusions of an independent study of 100 European companies just delivered to the Brussels Commission\*. It reports that – so far, at least – most companies that introduce new ways of working do not use re-engineering – at least by name. The study blames this on the fact that re-engineering has become far too associated in managers' minds with narrow targets such as headcount reductions and cost-cutting.

**Champy recognises it is for executives – especially senior ones – to make the leap**

On the face of it, the company's comprehensive approach would seem to differ fundamentally from the "re-engineering" doctrine promulgated by consultants such as Michael Hammer and James Champy, who together launched the fashion early last year.

Writing on this page a fortnight ago (Oct 5), Hammer suggested that all these other facets of change, though vital to a company, are subordinate to the re-engineering of its business processes. On the same day, Champy was on a public platform propounding a slightly different message, but one that also sees re-engineering as the umbrella for all these other changes.

He argued that the re-engineering revolution would never be more than half-successful until management itself was re-engineered: that is, until the attitude of managers at every level of the organisation, and the nature of

their work, shifted from the traditional model of constant "command and control" to one of setting the broad direction, and then mobilising and enabling others to manage themselves to a very considerable extent.

Through the defining of goals and the measurement of performance, this still involves a strong degree of influence, but of a very different nature from before.

Champy attributes the "under-achievement" – or failure – of many re-engineering projects to this managerial block. (Like Hammer, he disputes the much-reported "failure rate" of 70 per cent; he prefers to say that 30-40 per cent disappoint.)

In common with the myriad organisational specialists in consultancy and academia who have spent many more years than he or Hammer trying to help managers break through this block, he recognises how hard it is for executives – especially senior ones – to make the leap, especially when they fear for their own jobs.

Ideally, it should make no difference – except to rival consultants – whether the change jigsaw is given the umbrella term of "re-engineering", or something more generic, such as "organisational change" or "transformation".

What really matters is managerial recognition that all the different pieces form a challenging and interlocking system that cannot be altered – except chaotically – just by altering one of them.

But most managers try to do precisely that, since they are not used to thinking in systems terms. Over the past few years they have grasped desperately at one piece of the jigsaw after another in isolation, from culture change to process re-engineering. By doing so they confound their purpose, and compromise the readiness of their organisations to confront the real complexities of change.

That is why easily misunderstood metaphors such as re-engineering are so attractive yet so dangerous. It is not surprising that wary companies avoid them like the plague.

\* Cobra report. From Adaptation Ltd. Fax: 081-857-3947.



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successor to Corley

Some successions are smoother than others; the one soon happening at Clerical Medical, the UK's seventh largest mutual life company, with £11.5bn funds under management, is in a class of its own.

For Roger Corley, who will retire in April 1995 as the company's managing director, has been with Clerical Medical since he left university. And he is handing over to another career-long Clerical Medical stalwart, Robert Walther, right, who has also been with the company since leaving university, in 1955. Walther will have the title group chief executive.

Walther, 51, is a fellow of the Institute of Actuaries and an associate of the Institute of Investment Management & Research. A former chairman of the Association of British Insurers Investment Committee (1990-92), he joined Clerical Medical after graduating from Oxford university, where he studied mathematics.

From 1967 he was responsible

for managing the company's fixed interest investments, appointed deputy investment manager in 1972 and full manager in 1976 and assistant gen-



eral manager (investments) in June 1980. He joined the board in April 1985. His current position with Clerical Medical is investment director.

New board members at  
Grand Metropolitan

Peter Job, 53, the much travelled chief executive of Reuters, and Michael Hephner, 50, the ex-chief executive of Lloyds Abbey Life and current group managing director of BT, have accepted their first big outside directorships.

They have been appointed non-executive directors of Grand Metropolitan. They will serve for a term of three years. When they take their seats on November 24 they will join a boardroom which contains British Airways' chairman Sir Colin Marshall, British Gas chairman Richard Giordano, David Simon, chief executive, and Sir John Harvey-Jones, a former chairman of ICI and star of the BBC TV "Troubleshooter" series.

When Sir John retires at the end of the year GrandMet will have six non-executive directors and six executive directors.

OTHER NON-EXECUTIVE  
APPOINTMENTS

■ Sir Robert Davidson, chairman of Balfour Beatty, as chairman at DEVONPORT

MANAGEMENT, operator of Devonport Royal Dockyard, on the resignation of Basil Butler.

■ Graeme Elliot, formerly vice-chairman of Slough Estates, at NSM.

■ Douglas Yates, commercial director of The Rank Organisation, at CAMAS.

■ Gerald Leach, director general of the Association of Corporate Treasurers, at LOMBARD NORTH CENTRAL.

■ Harold Immanuel has resigned from INTEREUROPE TECHNOLOGY SERVICES.

■ Ashley Down at HISCOX Holdings.

■ Sir Trevor Holdsworth, chairman of National Power, at OWENS-CORNING.

■ Robin Gourlay, chief executive of BP Nutrition, at BEAZER HOMES and as chairman at ANGLIAN WATER.

■ Paul Jackson, group fd of Inspirations, at SURREY GROUP.

■ Frederick Ng Tak Wai, coo of UST Holdings, at CAMPARI INTERNATIONAL; Cheng Wai Keung has resigned.

■ Lord Tenby has resigned from UGLAND INTERNATIONAL.

River & Mercantile  
poaches HSBC asset  
management duo

Nigel Legge, 36, and William Carey, 33, who have worked together at Henderson Administration and HSBC Asset Management, have been headhunted to spearhead the River & Mercantile Investment trust group's entry into the fast-growing unit trust business.

It is understood that Legge, right, and Williams have been tempted away from HSBC by the promise of a substantial equity stake in River & Mercantile Asset Management, a new subsidiary which will oversee the unit trust operation.

River & Mercantile is the flagship of one of Britain's oldest investment trusts, which has been looking around for a new role for some time.

Earlier this year Mercury Asset Management, one of the industry leaders, considered taking it over to expand its own investment trust operation. However, this came to nothing and in September

John Beckwith, a wealthy property developer, and Chris Munro, 45, a former head of corporate broking at Robert Fleming, bought a 49.9 per cent stake in River & Mercantile Investment Management. They have an option to buy another 30 per cent in two years time.

Up to now River & Mercantile Investment Management, which manages around £400m, has concentrated on managing the group's small stable of investment trusts.

Capel Unit Trusts, recently renamed HSBC Asset Management, for six years and has helped increase its assets under management from £50m to £1bn. Roy Brooks, the overall chief executive of HSBC's European investment management business will look after the group's European unit trusts until a successor is found for Legge, who was managing director of the European unit trust operation, and Carey, the sales director.

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However, Chris Munro, who took over as chief executive last month, wants to move into the unit trust market and expand the group's international business, particularly in areas like the Far East. Legge has been with James



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## CONSTRUCTIVE CAREERS

■ Peter Popper, md of the design and management services division of HIGGS & HILL Construction Holdings, is also appointed deputy md of Construction Holdings.

■ Derrick Tyler, formerly construction director, is appointed md of HOLMES BUILDING; Steve Hedderick is appointed commercial director.

■ Bill Wiley, former md of Kennedy and Donkin Transportation has been appointed a director of MOUGHEL.

■ Alan Rees, md of Lovell Partnerships, and Edward Smith, group commercial director, are appointed to the board of Y.J. LOVELL (HOLDINGS).

■ Chris Johnson is appointed Yorkshire Area Director for

PERSIMMON; Ronnie Jacobs is appointed md of Persimmon Homes (Scotland).

■ Barry Canlier is appointed a director of MAUNSELL Associates; he moves from Trafalgar House Construction.

■ Jim Elders is appointed md of FITZPATRICK's construction operations.

■ Stephen Fallows, formerly md of J.F. Donelon & Co, is appointed to the board of DONELON TYSON.

■ Haro Bedelian, chief executive of TML, and Mike Wotton, responsible for Balfour Beatty Civil Engineering, Balfour Beatty Construction and Haden Building Services, appointed joint mds of BALFOUR BEATTY.

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## We'd like to set the record straight.

There's nothing simple about having a communications network that's patched together by a collection of different companies from around the globe, each with their own technologies and their own way of doing things. Common sense suggests it would be better to have one global company responsible for managing your network. And that's exactly what you get with the

IBM Global Network. Others may offer a "single point of contact"—but if you ask for something like global E-mail, they're likely to tell you their affiliates in Buenos Aires or Budapest aren't on line yet. Assuming they even have affiliates in those places. But the IBM Global Network has 5,000 network professionals and provides access to more than 90 countries. Now. So you can get a head start on the high-speed networking that'll make it seem like everyone in your corporation is working in the same office. Questions? Call us in Europe at 33-1-4905-9879. In Asia at 81 3 5644 2225. And in Latin America at 813 878-5403. And you'll get some straight answers about international network communications.

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## TECHNOLOGY

Barclays Bank is using new software to help it make lending decisions, writes John Gapper

## Equipped for the battle ahead

**Financial services IT innovation**

Considering the importance that Barclays places on its new software for guiding managers' lending decisions, the man in charge has a modest description of what it means to customers. "It's like a very sophisticated cigarette packet," says David Weymouth, the project director for Lending Advisor.

Rather than company directors baying to make basty sums on scraps of paper to work out their financing needs, they can be shown them on personal computer screens. The £10m system is to be installed in 300 UK branches by the end of this year for use in lending to companies with turnover of at least £250,000.

Yet this is only one of Lending Advisor's purposes. Another is to ensure that Barclays never again allows a mass of lending to weak and volatile companies during periods of rapid economic growth. This was a factor behind the bad debts that led to Barclays making a £242m loss two years ago.

The use of computers to guide decisions made until now by managers alone is controversial. Martin Taylor, Barclays' chief executive, was criticised earlier this year for saying that customers were not willing to pay enough to spend time with "the old-fashioned bank manager of myth".

Lending Advisor does not automate the credit decision in the way credit scoring does for unsecured personal lending. Barclays is working on credit scoring of lending for small business start-ups, but Weymouth says the approach is inappropriate for more sophisticated companies.

The cash flows and creditworthiness of large companies are much harder to monitor, requiring human interpretation. On the other hand, small businesses that are financed by second mortgages on homes, and run through a single account, can be monitored - and so credit-scored - relatively easily.

Furthermore, company directors do not want the bank manager sitting in front of them merely to be a mouthpiece for a centralised or automated decision on whether they will be lent money.

"Our customers tell us that they want to come and talk to a manager who has authority," says Weymouth.

Given these factors, Barclays could simply have chosen to carry on with the traditional system of allowing managers who are trained in lending to carry on making individual



Brian Cook, a corporate manager at Barclays Business Centre, London, working with Lending Advisor, the electronic loan system. "It reminds you to ask the right questions and takes away the number crunching"

decisions within centrally laid-down guidelines. But Weymouth argues that Lending Advisor offers a number of advantages:

- It gives managers easy access to central guidelines. Rather than managers having to "scurry around" searching for files on lending policy for companies in particular industries, such policies are auto-

matically displayed on the computer screen when the industrial classification is entered.

- It speeds up the decision-making process. If a local manager has to seek a sanction for a loan from a regional or national office, the details can be sent through electronically rather than by forwarding paper. Similarly, future appli-

cations can be processed using information already stored.

- For the first time, Barclays will have a central database of information on up to 75,000 companies which can be analysed and used to formulate lending policy. "It is not just having the information. It is having it in a form you can use that is not scattered around 300 offices," says Weymouth.

The system runs from Barclays' Gloucester computing centre, using IBM transaction processing software, and two databases. The software is based on proprietary software developed by the software company Syntelligence in the US. It was based on earlier software used to guide insurance underwriting.

Basic balance sheet, profit and loss and cashflow data for a company is entered centrally, leaving the local manager to fill in other details at a terminal. They include assessments of a company's management, its competitive position in the local industry, and projections of likely growth.

The system compares the company's performance with others of similar size in the same industry, rating things such as its gearing and operating margins on a series of seven-point scales. Managers can use it to show customers their future financing requirements given various rates of growth.

At the heart of the system is a "sanctions screen" which provides an overall credit rating on a nine-point scale. Managers have the final decision on whether to lend, but they know that there will be a

stronger onus on them to explain a decision to lend to a poorly-rated company.

Weymouth argues that this credit rating simply helps to add "rigour and discipline" to lending decisions. "If a firm has a poor rating, a manager should look carefully at the loan price, and the security. We want that in an unautomated world, but we do not always achieve it," he says.

In future, Barclays might be able to use Lending Advisor in a more prescriptive way. By using the data it will collect to analyse the actual risks of lending to companies that have different ratings, it could work out what margins it should charge, telling managers through Lending Advisor.

This would fit with Barclays' long-term aim of being able to allocate capital according to

"risk-adjusted" returns. Yet it would also raise questions about how much true autonomy a manager would retain. Weymouth emphasises that managers will retain freedom of manoeuvre, within limits.

He also argues that Lending Advisor could actually help to increase the amount of autonomy a manager enjoys, if it gives the bank more reliable data from branches. "If you are more confident in information flows to the centre, you may be more confident in the decisions you can give," he says.

Yet Lending Advisor - for which 1,200 managers have been prepared with a five-day training course - gives Barclays the potential for tighter control as well as access to better data. Weymouth says the bank could hardly have carried on relying on the old ways.

"It is like some early battles of the Boer War: people had not quite realised that if you advanced in series ranks with rifles raised, it was a highly dangerous manoeuvre," he says. Barclays hopes that in the lending battles to come, its managers now have rather better equipment to wield.

## Checking up on speedier transactions

Transax, the cheque guarantee company, has introduced an electronic system to speed up cheque authorisation.

Use of the system at 150 retail outlets over a year showed authorisation times comparable with credit card processing times, according to Transax, which guarantees cheques for amounts over bank guaranteed limits.

Clearance takes less than 20 seconds through a direct link between a cash register and the Transax computer if the retailer already has an integrated electronic till. The link can also be made through some credit card terminals, or via a Verifone unit, which connects to the till, telephone line, and electricity source. Details are keyed into a keypad and the response is made through the cash register.

An optional "cheque reader" which feeds the cheque details into the Verifone automatically costs £5.45 a month to rent. The Verifone, at £10.20 a

month, takes 5 sq in of counter space. An alternative electronic service, the Cheque-Tone, operates on an ordinary tone-dial telephone. Cheque details and code numbers are keyed into the telephone and an electronic voice gives the response, authorising or rejecting the cheque. Clearance time is about 30 seconds.

The computer assesses customers on the basis of their cheque-writing history. Transax also has access to a "hot card" database of stolen cards, compiled by several of the main clearing banks.

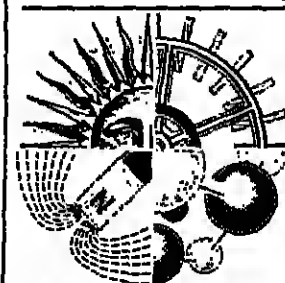
Last year, 3bn cheque payments were made in the UK, compared with 1.45bn paid by cards, including debit, credit, charge and store cards.

● Checkpoint Security Services has introduced Windows-compatible software for companies transmitting funds through the UK Bankers Automated Clearing Service. Winbac costs £595 excluding VAT.

Sheila Jones

## hidden agenda

## Worth Watching · Vanessa Houlder



## New source for fish oils

Dwindling fish stocks could lead to a shortage of the fish oils that are in great demand for nutritional supplements. So an alternative source is being developed by an Anglo-French joint venture, Clive Cookson writes.

Scotia Pharmaceuticals of the UK and Hélosynthèse of France are pooling their expertise to produce commercial quantities of polyunsaturated fatty acids, the active ingredients of fish oil, in bioreactors stocked with microscopic algae. Plants could be built off the Scottish and French coasts.

Hélosynthèse has already screened hundreds of strains of ocean algae to discover ones that grow well and make the desired fatty acids. Scotia plans to use the output first in nutritional supplements, for example to enrich infant formulae, and then as the basis for a new range of pharmaceutical products. Scotia UK, tel 0223 580020, fax 0223 580105.

## Cooling unit to the rescue

German scientists have devised a solar-powered cooling unit for transporting vaccines to remote regions of the third world.

Scientists working at the Fraunhofer-Gesellschaft in Freiburg, a research institute, have developed a miniature solar-powered fridge, which fits in a rucksack and can maintain a temperature below 10°C for up to 12 hours. With a capacity of four litres, it can hold enough drugs to treat an entire village.

Fraunhofer-Institut für Solare Energiesysteme, Germany, tel 761 4838 337; fax 761 4838 217.

## Create your own software games

A software package to help computer game addicts to create their own games has been launched by a UK

educational software manufacturer.

Klik & Play uses a simple programming language which aims to lead the user through the steps of game creation via a Windows interface. The manufacturers claim that novices can create a simple game in minutes, while experienced users can write sophisticated games in a fraction of the time needed with conventional programming languages.

Europress Software is selling Klik & Play for £39.99 on floppy disc and for £44.99 on compact disc.

Europress Software: UK, tel 0625 339444; fax 0625 379962

## Academics in line with industry

Work between academics and industry in the UK has produced developments in medical science, air traffic control and architecture, according to a joint study, writes Sheila Jones.

In one project, X-rays and other medical images are combined to give computerised 3-dimensional pictures. These should enable early detection of blood clots in heart surgery and greater precision in brain surgery to avoid nerve or vessel damage.

Computing tools are being developed to reduce bugs in software used in conditions where safety is critical, such as air traffic control. The study also points to work on enhanced virtual reality for use in architecture and engineering.

Impact of Information Technology, Engineering and Physical Sciences Research Council, tel 01793 444 212, and Department of Trade and Industry, tel 0171 215 1377.

## Whiteboards and PCs team up

A laser scanning system which allows presentations on whiteboards to be simultaneously displayed on a PC has been introduced to the UK by Microfield Graphics, an Oregon-based company.

The SoftBoard depends on an infra-red laser system tracking the colour and movement of a marker with a reflective bar-coded sleeve. The data stream is sent to a digital signal processor which presents the graphic image on a computer display.

Microfield Graphics: US, tel 503 626 3393; fax 641 9333.

The Economist

ARTS GUIDE



# All hell breaks loose at the Paris 'Ring'

Covent Garden has no monopoly of boeing, reports Richard Fairman from the Châtelet

I f only Eurotunnel had started passenger services a month earlier, Theo opera-goers could have amused themselves last weekend travelling back and forth between London and Paris, watching new productions of Wagner's *Ring* in the two cities getting booted to the rafters.

There was no way that Covent Garden had a monopoly of discount. Although the first three instalments of the Théâtre du Châtelet's new *Ring* cycle had passed off peacefully, that was because the producer had chosen not to appear. When he did finally poke his nose out from behind the curtain at the end of *Götterdämmerung* on Sunday, all hell broke loose. They booed, they whistled, they screamed abuse.

What it is that makes audiences at Wagner's operas want

to taste blood? Leaving aside the cost of the tickets, doubtless a powerful incentive, the main problem is the impossibility of realising the composer's stage instructions. Having given up the realistic style by the 1960s and then exhausted all manner of social and political updates in the '70s and '80s, producers are looking for somewhere else to go.

The Royal Opera's new *Ring* is cartoon-colourful and disrespectful, in a style which is starting to be accepted as "post-modern". Pierre Strasser, the producer in Paris, has gone to the other extreme. His stage picture is norellectively grey: grey costumes on a grey

stage against a grey backdrop. In sweeping aside the outdated ideas of the last couple of decades, he has sought to put precisely nothing in their place. No message, no analysis or re-interpretation. Worse - there is no intelligence, no emotion, nothing to make one feel that sitting through the *Ring* for 16 hours should send one out a different person from when one went in.

To anybody following the Châtelet *Ring* from the beginning, one of this should have come as a surprise. Earlier in the year *Das Rheingold* and *Die Walküre* had already set the course that the cycle - a co-production between the

Châtelet and Radio France, which perhaps explains the emphasis on musical over visual values - was to follow.

Although the rough and ready playing of the Orchestre National de France was not one of the cycle's strong points, Jeffrey Tate did succeed in overcoming underlying orchestral weakness to deliver performances of thoroughly Wagnerian power and grandeur. *Siegfried* was solid and leaden-footed in a way typical of Tate when inspiration deserts him, but *Götterdämmerung* revived enthusiasm with bursts of passionate energy, finishing hot and cold, now slow, now racingly fast.

In Paris, Tate's appearances at the second half of this *Ring* have taken on a new significance. Rumour has it that he may be asked to take over the hot seat of Intercontinental opera, as music director at the Bastille to succeed to Myung-whun Chung. If it comes about, his appointment would fan other flames: the Châtelet and the Bastille are firm rivals.

Where the Châtelet production invested its money wisely was in its choice of singers. Presumably the logic was that if most of the audience was following the performances at home on the radio, there should be good voices to listen

to. In *Siegfried*, Robert Hale was outstanding, a sovereign Wanderer, proudly proclaiming a noble Wagnerian bass-baritone to the world. In *Götterdämmerung*, Kurt Rydl made a hardly less impressive counterpart, black-voiced, burly, a Hagen hero to lower-class thuggery.

The *Siegfried* and *Brünnhilde* also had their vocal strengths. Heinz Kruse may be getting on for 50, short and rather podgy, but he sings as if the role holds no particular difficulties for him, as fresh at the end of *Siegfried* as he was at the beginning (though it is not a very heroic tenor voice). Towering above him was the

six-foot Gabrielle Schnaut, just as steady vocally and astonishingly loud, but not, sadly, a moving Brünnhilde, mostly because the voice is so hard and inexpressive. Much amusement was to be had during the love duet in *Siegfried* watching these ill-matched lovers trying to avoid standing side by side.

Among the other vocal pleasures were a stolidly well-sung Cuntner from Elke Wilm Schulte, Franz-Josef Kappellmann as a strong Alrich and a winningly-blended trio of Rheingoldens to Jolie Kaufmann, Hanna Scher and Dagmar Pecková. Malmfrid Sand was clearly trying to create a

character out of Gutruose, which was unusual in the context of this production, where stand and sing was not just tolerated but encouraged as the way to play the *Ring*.

In addition, the programme for *Concordanza* listed 45 "figurants" or "extras", who turned out to be a long crocodile of men in raincoats who filed on from one side of the stage and filed off again on the other a couple of minutes later. Nobody could explain who they were meant to be, but they must have added a penny or two to the Châtelet's production budget. It might have been more cost-effective to pay them to applaud from the stalls at the end.

Sponsored by the Association Culturelle du Théâtre du Châtelet. Complete cycles of the *Ring* follow later in October and November.

## Theatre

### The Broken Heart

Marital discord, overpowering jealousy, eating disorders, the future of the ruling dynasty... I refer, of course, to - what else? - the 1633 tragedy *The Broken Heart*. Its author, John Ford, is better known for *'Tis Pity She's A Whore*, but by some strange chance this year has already seen two London fringe productions of *The Broken Heart*, and now the Royal Shakespeare Company is presenting it at the Swan.

The director, Michael Boyd, tells the excessively complex story with astounding clarity. And the story, albeit complex, is actually the great strength of *The Broken Heart*. I have called it a tragedy, but it only intermittently starts to fulfil any pity or fear. What it is chiefly, is full-blooded melodrama of proto-Romantic type: the dark, tormented, Byronic hero Orgilus, alienated from society and from virtue because his beloved Penthea has been married by her brother Ithocles to another man; the suffering Penthea, martyred by her brother's action and by the crazy jealousy of her husband, Baffanes, until she is driven mad.

It is a revenge tragedy, but it ends by transcending revenge. Heartbreak has been widespread among the cast, but we are unprepared for the final breaking of a heart that gives the play its title. And the princess Calantha, who has been a minor character hitherto, reveals a tragic authority that lifts us, at the end of the play, into awe.

Like the plot, the language is full of striking effects which are more exciting than revealing. But that seldom bothered me while I was watching this production: and the role I had thought the most unplayable, the jealous Baffanes, becomes here in Philip Voss's performance, the most rounded and imaginative character of all.

Voss, indeed, is emerging as the master-actor of the Stratford season. His Menenius is the most multi-faceted character in the current *Coriolanus*. He knows how to make Baffanes's jealousy both ridiculous and dismaying. And how - only an instant later - to show the remorse and love that redeem the man. ("Light of beauty," he exclaims, looking up from the floor to his wife, "deal not ungenerously with a dreadful word.") In movement and in speech, he brings abundant detail to the role, and makes him always convincing.

Iain Glen, who plays Orgilus, has the same lack of stillness that married his otherwise fine Henry V. His head, in particular, keeps moving during every line he speaks; and his voice adds unnecessary motion to his lines - with rises and falls and extra stresses that lend unmeaning decoration to his role. Too bad, since Orgilus's dark thoughts are the still centre of the play. In other respects, Glen's performance is excellent: fresh, intelligent, urgent. But this is an actor of great gifts, who has not yet relaxed to discover the authority



Emma Fielding: star quality in the RSC's revival of John Ford's tragedy

that could make him outstanding.

Emma Fielding, as Penthea, is quite the opposite. This young actress has, in bearing and voice, stillness, authority, poise; and she has learnt a tellingly cleaner attack into words and phrases. Her stillness here has the same radiant pathos that it had, earlier this year, in *Molière's School for Wives* at the Almeida, but here the radiance is of anguish, of vigilant virtue. Her voice, based in an ever-developing control of rare firmness, has wonderfully touching accents and phrases. Her Penthea is

planned out, scene by scene, with somewhat too much calculation; and the steady, slow walk (which reveals her repressed but incessant grief) becomes, for all its beauty, a strident. Even so, this young actress is already a star.

Several other roles are played with not quite all their power they deserve, but I note that both Robert Bowman (Ithocles) and Olivia Williams (Calantha) are young RSC actors who are gaining in accomplishment and form. Tom Piper's dreadful scenery with its clanking metal curtains should be

replaced immediately, but his Jacobean costumes are handsome. One masterstroke occurs near the end, when the Princess leads a wedding-dance (choreographed by Janet Smith) that moves briskly while Craig Armstrong's slow music gives it no rhythmic support at all. The effect is eerie, and prepares us brilliantly for what will follow.

Alastair Macaulay

In repertory at the Swan Theatre, Stratford-upon-Avon.

## Theatre/David Murray

### The Queen and I

From Leicester via a national tour and the Royal Court, Sue Townsend's comedy has passed to the West End. As you must know, both the play and the original "novel" are about the present royal family, imagined as reduced by a newly republican Britain to a grim council estate in Leicester. And why not?

Ms Townsend chooses, however, not to explore many questions. I do not mean that she ought to have explored any of them; only that her leaving them untouched (why has the republic treated the royals so brutally? do they learn anything significant in their exile? do their neighbours? restrict her play to a simple, homely vein in a never-ending land.

The time of its national future must be just weeks away, since the royals we meet here have done nothing new since the ludicrous things we think we know about already. Though there are mischievous little sallies about those, none is followed up, and no character develops. For the guiding premise is only this: wouldn't it be funny if the Queen and her clan were stuck in a council estate?

Here I should declare a dis-

ability, from birth. All Brits, one gathers, sometimes dream about meeting the Queen (often in unlikely circumstances, but most often over tea) - even hard-left Brits. That suggests that she occupies a special place in your national dream-world, somewhere far beyond ordinary assessment. When Ms Townsend brings her on to the stage in the Celia Johnson-ish persona of Paula Wilcox, she comes ready-made as an icon; you can then be titillated by hints of *l'es-majesté*, and reminders of recent "misconduct", and by the royals' supposed incomprehension of council-estate demotic.

Those account for nearly all the comic substance of *The Queen and I*; those, and a steady dribble of knowing references. For example, Prince Philip insists on having his tea "in my World Wildlife Fund mug". Ha ha. Later the Queen remarks that she has "never met a butcher - except Bomber Harris, of course." Ha ha. But I liked the stuffed but lively corgi and the baby, both in *Spitting Image* style.

Thanks to television, we expect stage-royal figures to be good impersonators. Miss Wilcox makes a shy, engaging

Queen, with glints of something shyly aggressive. There is a creeping charm from Gillian Hanna's Queen Mum (and Cravffie); David Horovitch's Philip is a testy but kindly soul out of sit-con, and Toby Salzman's Charles a sympathetic, full-blooded impersonation. Lizzy McInerney's DI looks good, though the accent is more striving-toward-Sloane-from-below than upper-class drooping Sloane; Carole Hayman's Margaret is a creature from Noel Coward's stage milieu. Pearce Quigley is outstandingly gormless as Prince William, two other chaps and a Mrs Newman.

Their caricatured speech betrays scarcely any common ground, so we get no sense of an aristocracy collectively at bay, in an unfamiliar real world. In Ms Townsend's "novels", there is something steady and unwinking behind their cute prose surfaces. Here, that is dissipated among all the actors' turns and the continual one-joke vignettes. But the amiability-factor is pretty high; and if you can top it up with your own monarchical kink, you should enjoy the show.

At the Vandeville Theatre (071 836 9887)

## Delusions of dance

Momix is the name of a cattle-herd. It is also the name given by Moses Pendleton to the group of five gymnasts he directs, who are offered to the world as dancers. The word "choreography" is used in the programme to describe their little numbers. The words "dance", "illusion", "surreal" are found in their publicity. I would venture that the satire lies in their illusion that they dance.

I saw Momix on Wednesday night at Sadler's Wells as a ten day season got under way. I did not see all the programme. Finding it impossible to remain for the latter part of *Passion*, their chief offering, since by then Momix's activities had induced symptoms I associate with having eaten a spoiled oyster. So my comments relate to about two-thirds of the evening. It may be that, thereafter, blazing theatrical genius fired the event. It may also be that the members of Momix (2m; 30) are Equerries and Ladies in Waiting to the Queen of Peru. The programme offers gym-

nastic exploits and a few skimpy costumes - stretch fabric - in brief scenes of unfathomable purpose. One man exercises on a table; three girls do a Page Three with balloons; someone is involved with a rope, which gives the audience a chance to giggle. Bodies assume shapes curious but far from intriguing. The accompaniment is rock music.

The show is, I'd hazard, ideal for those in their early teens. There is relentless pop music, played before the performance and in the interval - and also in the Wells' cafeteria. The performers have fine physiques, and there is a topless moment to intrigue the younger lads.

Passion, the main item of the evening, has music of vast banality by Peter Gabriel, and, for as long as I watched, was pointless - unless the sight of the cast bent in half and clutching their buttocks was a message about the terrors of haemorrhoids. Perhaps this was the satire we were promised by the advertisements. It certainly wasn't the dance.

Momix is at Sadler's Wells until October 29.

### Clement Crisp reviews Momix

One number, Alan Boeding's *Circle Walker* is memorably revived from a previous visit. Boeding has made a handsome structure which is a metal circle whose lower half is set at right angles to its upper part and joined by curved struts. There results a sculptural and free-wheeling object inside which Terry Fenton moves and poses. It is as imaginative, fascinating concept. Fenton becomes an heroic figure, part leucis as he stands high on the

## INTERNATIONAL ARTS GUIDE

### EXHIBITIONS

**AMSTERDAM**  
Van Gogh Museum Oskar Redon (1840-1916): 180 works exploring the artist's development, sources and influences. The exhibition, which was first seen in Chicago and later goes on to London's Royal Academy, seeks to demonstrate how the dramatic nature and Symbolist aspects of Redon's work provided a link between 19th century Romanticism and 20th century Surrealism. Ends Jan 15. Daily.  
Rijksmuseum The Renaissance Print 1470-1500. Ends Oct 30. Closed Mon.  
Stedelijk Museum Asger Jorn (1914-1973): retrospective of the Danish artist, with 100 paintings and a large number of drawings from leading museums and private collections. Ends Nov 27. Daily.

**BASLE**  
Kunstmuseum Fernand Léger (1881-1955): an exhibition focusing on the major creative period from 1911 to 1924. Ends Nov 27. Closed Mon.

**BREMEN**  
Kunststhalie Toulouse Lautrec's Paris Nights: 200 paintings, posters and drawings from the 1890s. Ends Jan 22. Closed Mon.

**HAMBURG**  
Kunststhalie Rembrandt and his Century: Dutch and Flemish drawings from the 17th century. Ends Jan 15. Closed Mon.

**LONDON**  
National Gallery The Young Michelangelo: an exhibition focusing on the Manchester Madonna and The Entombment - among the most controversial paintings in the Gallery's collection, because their attribution is disputed. They are placed alongside paintings by Michelangelo's Florentine masters,

and preparatory drawings for two of the figures in The Entombment. Ends Jan 15. Daily.  
Tate Gallery James McNeill Whistler: the largest collection of the American-born artist's work since the memorial exhibitions held after his death in 1903. It includes some of his greatest portraits, the Thames Nocturnes of the 1870s, a group of late self-portraits, etchings ranging from bohemian Paris in the 1850s to the Amsterdam red light district in 1899, and drawings, lithographs, watercolours and pastels from worldwide collections. Ends Jan 8. Rehearsal Horn: a retrospective of the contemporary artist, focusing on her extraordinary machines and installations. Ends Jan 8. Daily.  
Hayward Gallery The Romantic Spirit in German Art 1790-1890. Ends Jan 8. Daily.  
Royal Academy of Arts The Glory of Venice. Ends Dec 14. Daily (advance booking 071-240 7200).  
Royal Festival Hall Käthe Kollwitz (1867-1945): a collection of the German artist's powerful and emotive prints. Ends Dec 4. Daily.

**LUGANO**  
Museo Cantonale d'Arte Corot: more than 120 paintings and sketches. There are some early Impressionist studies from his Italian visits, but the show consists mainly of studio works from his later years, which look back to the classical landscape style rather than forward to Impressionism. Ends Nov 6. Closed Mon.

**LYON**  
Musée des Beaux-Arts Maurice Denis: the first retrospective in France since 1970, with more than 200 canvases, sketches and objects

d'art by the Nabis artist. Ends Dec 18. Closed Mon and Tues.  
**MADRID**  
Fundació Jaume Gual and Fundació Joan March Treasures of Japanese Art: 110 works from the 17th to 19th century, on loan from Tokyo's Fuji Art Museum. Ends Jan 22. Daily.  
**MUNICH**  
Kunststhalie der Hypo-Kulturstiftung Edvard Munch and Germany: 100 paintings by Munch, plus a selection of work by late 19th century German artists who influenced him, and by early Expressionists who found inspiration in works like The Scream. Ends Nov 27. Daily.  
Haus der Kunst Roy Lichtenstein retrospective. Ends Jan 9. Closed Mon.  
Lenbachhaus Tanzania: more than 400 masterworks of African sculpture. Ends Nov 27. Closed Mon.  
**NEW YORK**  
Metropolitan Museum of Art Origins of Impressionism: a landmark exhibition of 175 paintings by Parisian artists of the 1860s, illustrating the influences that artists such as Courbet, Degas, Manet, Monet, Renoir and Cézanne had on each other, the harmony of their talents and the artistic dialogues that were created as they sought to develop a thoroughly modern art. Ends Jan 8. The Annenberg

Collection of Impressionist and Post-Impressionist Masterpieces. Ends Nov 27. William de Kooning's Paintings. Ends Jan 8. Stona Vessels from Ancient Egypt. Ends Jan 23. Closed Mon.  
Guggenheim Museum The Italian Metamorphosis 1943-1968: a survey of visual arts in the postwar period, focusing on a period when Italy became a leading exporter of culture, and Italian design and style became synonymous with innovative quality. Ends Jan 29.  
Japanese Art After 1945 (at SoHo). Ends Jan 8. The main museum is closed on Thurs, the SoHo site on Tues.  
Museum of Modern Art Cy Twombly (b1929): retrospective of the American artist who moved to Italy in 1957. Ends Jan 10. The Prints of Louise Bourgeois. Ends Jan 3. Mapping: paintings, drawings, photo-competes and sculptures, exploring the ways in which modernists have made map imagery a principal focus of their work. Ends Dec 20. Closed Wed.  
Brooklyn Museum Indian Miniature Paintings: 15 to 19th centuries, all from the permanent collection. Ends Jan 8. Closed Mon and Tues.  
Whitney Museum of American Art Jess - A Grand Collage 1851-93: first major retrospective of the reclusive Californian artist (b1923), whose diverse body of fantastic, dream-like paintings and collages has received little public exposure. Dec 4. American Landscapes by Neil Jenney. Ends Dec 11. Closed Mon.  
**PARIS**  
Grand Palais Poussin: this 400th anniversary retrospective includes

the two sets of Seven Sacraments and some of Poussin's finest paintings on classical and biblical themes. The overall impression is of contradictory inspiration - the Bible and Ovid, contradictory themes - cruel battles and pastoral idylls; contradictory means - floating draperies and bodies of sculptured perfection. All are underlined by the use of strong reds, yellows and blues, and united by the personality of the philosopher-painter. Ends Jan 2. Gustave Caillebotte (1846-1894): retrospective of the painter and patron of art who belonged to the circle of Impressionists more by the modernity of his subjects than by the actual Impressionist technique of painting. Ends Jan 9. Closed Tues, late opening Wed.  
Musée d'Orsay Forgotten Treasures from Cairo: a surprisingly rich collection of works by Ingres, Courbet, Monet, Rodin and Gauguin, most of which were bought during the 1920s wave of commercial expansion and subsequently placed in Egyptian national collections, where they have remained largely unnoticed. Ends Jan 8. Closed Mon.  
Louvre British Art in French Public Collections: paintings by Gainsborough, Reynolds, Constable, Lawrence and Turner, plus other drawings, watercolours and engravings. Together they add up to a panorama of British art. Ends Dec 18. Closed Tues (Hall Napoleon).  
Musée Camille de la English in Paris in the 19th Century. Ends Dec 5. Closed Mon (23 rue de Sévigné).  
**ROTTERDAM**  
Museum Boymans-van Beuningen



It is difficult to be objective about a process in which one has been so closely involved. But I think it is fair to say that the Uruguay Round of trade negotiations, and the World Trade Organisation to which it gave birth, will be seen by historians as one of mankind's most valuable achievements.

Eighty years after the start of the first world war ended a century of relative peace and rising prosperity, the principles of free trade advocated by the great 19th century liberal thinkers are gaining near universal acceptance. Both the idea of free trade and its institutional expression can no longer be seen as part of an ideological arsenal - or indeed as a means whereby an affluent "north" seeks to exploit an impoverished "south".

Recent experience shows that a worldwide free trade system can provide developing countries with a fast track to economic development if they can stay the course and avoid doctrinal detours.

But developed nations are no less dependent on free trade for their continued economic progress. The contribution of trade to economic growth in the member countries of the Organisation for Economic Co-operation and Development has been steadily rising and this trend will continue.

For the world as a whole, international commerce acts as a powerful integrating mechanism. It exerts a humanising influence on politics, culture and social life. In the 21st century, I believe it could form the basis of a new global civilisation, characterised by the peaceful interplay of competition and co-operation.

That, in short, is why the WTO is so important. And yet the outcome of the Uruguay Round was a close-run thing. At several points, the process of reaching agreement almost ground to a halt - most notably at the 1990 Brussels ministerial meeting. Even now, six months after the final Uruguay accord was signed in Marrakech and less than three months before the scheduled launch of the WTO on January 1, some 90 contracting parties to the General Agreement on Tariffs and Trade have yet to complete their internal ratification procedures.

Clearly, the first director-general of the WTO will be more than just "present at the creation". In the memorable phrase of former US secretary of state Dean Acheson, the organisation will doubtless bear the impress of his profes-

## Six steps to untether trade

Kim Chul-su, candidate to head the WTO, outlines his priorities



Kim Chul-su: 'This kind of opportunity for mankind comes rarely'

sonal style, *modus operandi* and personal philosophy for many years to come.

He will, unavoidably, be called upon to set precedents that will guide his successors and help chart the future direction of the WTO. Therefore, I believe that any candidate for this post has an obligation publicly to state which tasks he would accord the highest priority. In my view, there are six:

● First, expediting completion of the unfinished business of the Uruguay Round. This includes negotiations in the services sector and new issues for further market liberalisation. ● Second, promoting expansion of the organisation to ensure that it becomes a truly universal institution. The admission of China, Russia and some 20 other prospective members will create a unified, worldwide multilateral trading system for the first time in history. I hope that the most populous of these countries - China - will be a Gatt signatory soon. In time to become a charter member of the WTO. ● Third, ensuring that the benefits of the Uruguay Round

accrue to all WTO members, irrespective of size, region or developmental status. In the past, developing nations have often felt that their interests were not adequately represented in the Gatt. The Uruguay Round was the first time the developing world took an active part in the Gatt round. The WTO, by combating protectionism and fairly enforcing trade rules, can help narrow the gap in living standards between developed and developing countries.

● Fourth, strengthening the rule of law in the international trading order through effective utilisation of the WTO's dispute settlement mechanism. This major reform denies the parties to a dispute the effective veto over a settlement that they had under the Gatt. As a result, the WTO should be able to resolve trade disputes faster and more fairly and effectively. Indeed, the credibility of the WTO will depend to a great extent on how well it meets these expectations.

● Fifth, co-ordinating the work of the WTO with that of the World Bank and the IMF.

The author is minister of trade, industry and energy for South Korea. Statements by WTO candidates Renato Ruggiero and President Carlos Salinas appeared on October 5 and September 26, respectively.

The original proposal at Bretton Woods to establish an "International Trade Organisation" to complement the Fund and the bank was never realised. Now, 50 years later, the WTO will fill the gap. The mandates of all three overlap and interface at so many points that a high degree of co-ordination is needed if each is to yield maximum benefits.

● Sixth, preparing the ground for dealing with trade-related issues that go beyond market access. At the front of the queue is the question of trade and the environment, for which a committee has already been set up within the Gatt. Other issues brought forward by some members include the relationships between trade and subjects such as competition policy, investment and labour standards.

I think it is essential to recognise that these issues are complex and do not admit of easy, black-and-white solutions. All involve trade-offs and value conflicts over which reasonable men and women may surely differ. That is why our first task in dealing with them should be to acquire a sufficient basis of scholarship and research to enable us to discuss these issues intelligently.

During its 50 years of existence, the Gatt achieved enormous success in reducing tariffs and opening markets. More than any other institution, it has shaped today's global economy.

However, it was not without structural defects, and its potential was limited by the fact that it could operate on only one side of an ideological frontier. Moreover, during its last decade or so, the Gatt system seemed increasingly hard-pressed to deal with the rising challenges of protectionism, regionalism and unilateralism.

The WTO was designed to avoid the defects and weaknesses of its predecessor. And the end of the cold war has eliminated the barrier to a globally inclusive membership. Thus the auspices look favourable for the inauguration of the WTO on January 1. This is the kind of opportunity for mankind that comes along rarely in history. It is one that, both literally and figuratively, we cannot afford to squander.

The author is minister of trade, industry and energy for South Korea. Statements by WTO candidates Renato Ruggiero and President Carlos Salinas appeared on October 5 and September 26, respectively.

Joe Rogaly

## Just not good enough



The Conservatives are driving corruption down-market. The traditional British way of trading favours is camouflaged, subtle, delicate, unspoken, communicated via the old boy network, nudged along and winked through, understood but never admitted, modest, restricted to a small circle of villains who trust one another, above all *managable*. The essence of it is a pretence that it never happens here. The Italians and later the French may be corrupt, we tell ourselves, but sleaze stops at Calais.

This myth has enabled officials to protest that British standards of public life are the highest in the world, the envy of the universe, a model followed with difficulty even in the celestial kingdom. Mr David Hunt, the minister for open government, was saying that sort of thing yesterday, popping up on the airwaves every hour, wearing an expression perfected by purveyors of double glazing. Wide-eyed and innocent, he was apparently possessed of a touching expectation that he was convincing. He was not. Nor was Mr John Major when he uttered similar sentiments in the Commons.

To be fair, the prime minister did not stand a chance. British corruption is getting out of hand. Mr Major himself is seen to be honest, but all around him the angels and seraphim of his Tory administration are falling. Down they flutter, wings torn or singed, into the abyss of resignation, sacking, disgrace. We need not list them. They have been pushed, snatched, snatched, snatched. The Angel Dodger will not rise to the heights to which he aspires. The Outlaws have been banished. The honourable member for back-handers and his col-

league, the ex-minister for nice little earners, have attracted the opprobrium they deserve. It is the MPs who may still be sailing aloft singing hosannas and pretending to be perfect who should trouble Mr Major. He cannot know how many more miscreants will be found, or who they are. What concerns him is that the public perceives that there is something fishy about some members of his 15-year-old government. Just the other day 61 per cent of respondents to a Gallup poll in the Daily Telegraph agreed that the Tories "give the impression of being very sleazy and disreputable". What proportion does Mr Major imagine thinks like that this morning?

The public has lost confidence in the probity of his party, and with reason. Recall the facts. Questionable traders have donated large sums to the Tories. Patronage is for sale, at a somewhat higher price than parliamentary questions. Yesterday Mr George Howarth, a Labour MP, published a table naming 157 business executives appointed to the boards of 100 quangos: all seem to have ties with companies that have contributed to Conservative funds. Ministers who have supervised the privatisation of state industries have become directors of the new firms, or moved to the banks that handled the sales. The most startling allegations have arisen from arms deals. Earlier in public, evidence given in public to Lord Justice Scott's inquiry into some of these was disquieting enough: his report could be more so. Ministers are dangerously complacent about this. One said

privately last week that so much time had passed in the waiting that Scott had gone stale. We shall see.

While officials reassure themselves, Mr Tony Blair seizes the moment. At question time yesterday, the new leader of the Labour party made three suggestions. The first - that no minister who has privatised a company should subsequently end up on its board - was rejected by the prime minister. The second - that "a list of all members of quangos, their payments, their perks and any position with any political party" be published - was parried by Mr Major, who said his own studies were under way. The third - that "the cash for questions inquiry now be broadened, be made deeper, be held in public and be made fully independent" - was turned down on the ground that Parliament's committee on privileges had traditionally

taken evidence in private. It would publish its report, which would be debated. None of this is good enough. The rules for ministerial behaviour, both in office and after leaving it, manifestly need tightening. Only an independent, open inquiry will be enough to meet the level of public suspicion aroused by the revelation that MPs have been paid to ask parliamentary questions. One junior minister resigned yesterday following allegations to that effect in the Guardian; a second, Mr Major informed the House, is suing the newspaper. That may bring the whole subject into court, a more open form of inquisition than Parliament's committee of privileges. As to quangos,

we can wait and see what the government proposes to do. The prime minister should not dally. He would do well to recall the posture adopted by the sensible Mr Kenneth Clarke in analogous circumstances. When he became chancellor, the government's economic strategy, blown away on Black Wednesday, was in ruins. The markets had little confidence in the Tories' economic competence; the voters less. The priority, Mr Clarke determined, was to restore faith in Conservative prudence. Tax cuts could wait. If necessary, interest rates could be increased. What the chancellor called a period of good government was the best - the only - political strategy if the Conservatives were to avoid defeat at the next general election. By giving the Bank of England quasi-independent control over monetary policy, he locked the government in to his chosen course. Mr Major doubtless concurred.

The parallel is clear. Public confidence in the probity of Conservatives will not be restored unless Mr Major demonstrates that he regards the establishment of clean government as an overriding medium-term priority. All his political actions should recognise this. He should have welcomed Mr Blair's proposals, and added a gloss of his own. The prime minister must take risks. He should place allegations of improper behaviour, or inquiries into new rules, before independent tribunals or committees. These must conduct their deliberations in the open. As Mr Paddy Ashdown said yesterday "neither this House nor the people of this country are going to be satisfied with the result of inquiries held in secret". Heaven knows what may emerge from public investigations but, as to that, it is too late for regrets.

All around Major, the angels and seraphim are falling. Down they flutter, wings torn, into the abyss of resignation, sacking, disgrace

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

### Civil service needs improvement, but not by killing it off

From Mr John Sheldon.

"Re-engineering the Treasury", October 20) touched on one of the most important, but least highlighted, elements of the Treasury's cuts announcement - the threat to the notion of an independent UK civil service.

Regardless of the failings of the Treasury - which are in any event largely failings of government economic policy - the Fundamental Expenditure Review has a much wider purpose than simply improving the Treasury's strategic vision. In part it represents the political equivalent of scuttling the fleet before it is captured by the enemy navy. The Treasury cuts will seriously damage a future government's attempts to use the public sector and public expenditure in a more positive way.

It is also part of the broader objective of restructuring the shape of central government in the UK. It signals the acceleration of the long-term rundown in numbers of civil servants which, together with the break-up of departments into saleable executive agencies, privatisation and contracting out,

threatens the very existence of a non-political, independent civil service.

Importing inappropriate private sector methods into the public service, without regard for the uniqueness of much public service work or the need for transparent accountability, has already done a great deal of damage. Contracting out and privatisation have also created new problems of quality and accountability which are only just beginning to emerge with a spate of scandals over the last year.

This is about to be aggravated by back-door attempts to politicise the service through personal contracts at senior level (what price independent advice then?) and half-baked ideas about linking performance pay to policy work. The British civil service needs improvement in many ways, but this government believes that effectively killing it off represents such an improvement. Unless ministers change their views, this will prove a costly mistake. John Sheldon, general secretary, NUCPS, 124/130 Southwark Street, London SE1 0TU

### Figure was accurate

From Mr Bill Morris.

Sir, Your report, "Merseyside union official steps down" (October 20), on the resignation of Mr Alan Quinn from the T&G's executive quotes Mr Quinn as claiming that the union accepts that the published figure for his expenses is inaccurate.

This is not, in fact, the case. Attention was drawn to Mr Quinn's expenses following the publication in the union journal, as now required by law, of the amounts claimed over the past year by himself and all other members of our lay executive.

Mr Quinn asserted that the published figure was untrue,

as a result of which an inquiry was established to ascertain the position.

This investigation has established that the figure published for payments made to Mr Quinn is, in fact, accurate. There is no question of the T&G's financial officer having accepted that the published expenses figure for Mr Quinn of £15,181 is "inaccurate and not true".

Bill Morris, general secretary, Transport and General Workers Union, Transport House, Smith Square, Westminster, London SW1P 3JB

### Number of omissions in government's 'rosy' view of its immigration policy

From Mr Graham Allen MP.

Sir, The letter by Nicholas Baker, immigration minister, (October 20) contains a number of omissions in its rosy portrait of the Conservatives' immigration and asylum policy. He says that detention powers under the 1971 Immigration Act "are exercised only when there are good grounds for believing that the person will not comply with any conditions imposed, if released". What he fails to point out is that the decision to detain is made without reference or accountability to any independent review body.

That such decisions are left to the discretion of immigration officers with no or little grounding in human rights and foreign affairs is a situation which needs to be remedied.

Not one of the 50 detainees who were the subject of Amnesty International's report was given full written explanations of their rights and how to exercise them. How can the minister claim that Britain "complies with its obligation under international conventions to which it is a signatory" when international standards require that all detainees be fully informed of their rights and how to use them? This begs the question of whether immigration officials making these decisions are actually themselves aware of the rights of detainees?

Mr Baker further claims that: "Detention is a necessary part of a policy of firm and fair

immigration control". This slogan might be passable if detention were to occur in a humanitarian manner. Unfortunately it does not. How can the Home Office justify the fact that more than one third of all those detained are held in prisons and can be treated far worse than the common criminal charged with a serious offence? Surely detention ought to take place in recognised and properly equipped detention centres?

Labour would seek to adopt a fairer system so that detention was used only in the most pressing circumstances as an absolute last resort. We would also ensure that detainees were treated humanely and given their due rights in line with the UK's international and European commitments. This would include a known limit to the length of time for which detainees could be held and special attention to the physical and mental health of detainees.

Ahead of the UK introducing a bill of rights, there is much that could be done to ensure that people desperately fleeing from persecution in their own land are given safe haven if they escape to Britain. Fair treatment requires a government that takes its human rights responsibilities seriously.

Graham Allen, Labour spokesperson on immigration, House of Commons, Westminster, London SW1A 0AA

### MPs should declare all

From Mr Peter Cave.

Sir, As a result of the Financial Services Act, financial advisers and sales people must declare to would-be investors exactly whom they represent and (from the new year) the commissions they will receive in cash terms.

Given the continuing concern over cash for questions, perhaps MPs should follow a

similar line. Before their questions are accepted, their speeches allowed and their parliamentary votes counted, perhaps they should make it clear at the time exactly whose interests they are representing and the financial rewards they have or will receive.

Peter Cave, 17 The Mount, Hampstead, London NW3 6SZ

### CSO figures on UK consultants' overseas earnings too gloomy

From Mr T.A. Baum.

Sir, I was disappointed to read the article in which the Central Statistical Office reports a fall in 1993 in the overseas earnings by consultants ("Overseas earnings by consultants fall", October 15).

The CSO report paints a somewhat gloomy picture of consultancy which, from our viewpoint, is far from true. More than 80 per cent of mem-

ber firms reported that their overall work load overseas in 1993 was higher than in 1992, and 97 per cent expect their work load to be higher or the same in 1994.

British consultancy internationally is a success story and is highly regarded by international funding agencies. With a multiplier effect for project work of 10-25 this is good news for British

business as a whole.

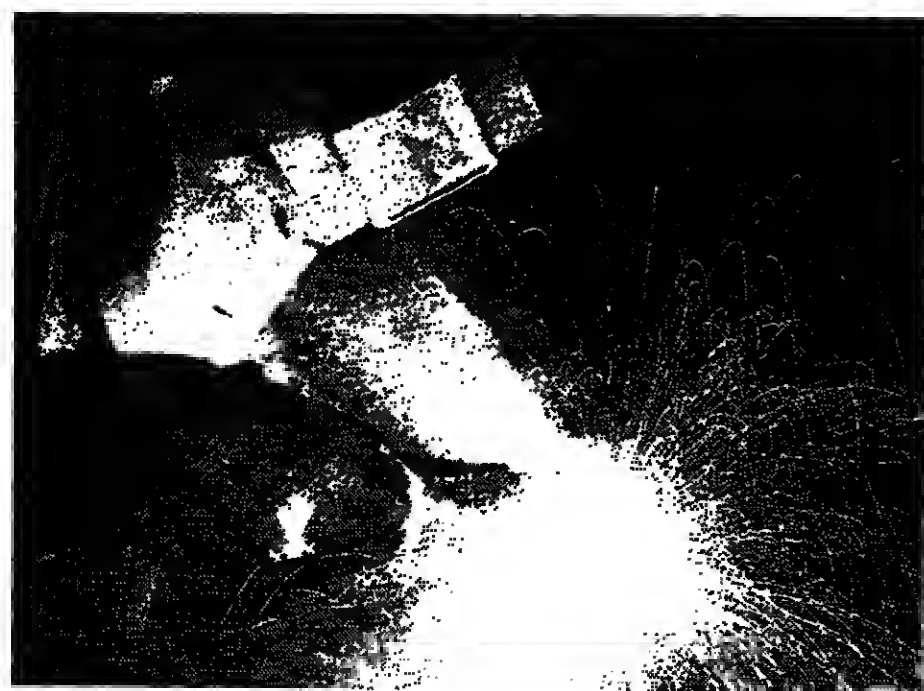
From our annual statistical survey of member firms, which are the leading consultancy firms working internationally, we believe the gross overseas earnings of British consultants in 1993 were higher than reported, particularly for consulting engineers where the figure is £684m compared with the CSO figure of £387m, including process engineers.

Our returns also show a different regional emphasis, with Asia and Pacific the biggest market with 41 per cent of gross earnings. The European Union came third with 18 per cent.

T.A. Baum, Director, British Consultants Bureau, 17 Westminster Palace Gardens, 1-7 Arville Road, London SW1P 1RJ

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Linking up with success



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## FINANCIAL TIMES

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Friday October 21 1994

## Mr Clarke's Budget task

Mr Kenneth Clarke will be discussing the European Union's fiscal position in Italy today, not the UK Budget. Treasury ministers and advisers will not plot the Budget strategy in Dorneywood without him, but some would say there was little need for them to meet at all. In the spirit of his new precept that "sound economics is good politics", Mr Clarke has already ruled out significant tax cuts for this year, while the good performance of the economy this year rules out any further tax increases.

But there is more to a "sound" Budget, especially a unified one than the fall or rise of headline tax rates. In his second Budget speech, the chancellor should set himself the task of explaining and illustrating this, not merely to the electorate, but to his party. The chancellor believes that the government can rebuild its popularity only on the basis of a revived reputation for economic competence. In the first Budget, that meant a willingness to undertake his predecessor's last Budget, by raising taxes to plug the hole in the public finances. There is still plenty of red ink on the public sector accounts. But a series of pleasant economic surprises means that the gap between the politically popular and the economically prudent is a good deal narrower than it was last November.

## Position reversed

According to the Institute for Fiscal Studies, the public sector borrowing requirement for 1994-95 is likely to be under £20bn, some £8bn lower than the prediction in last year's Budget. The reasons can be found in what has happened to the components of nominal GDP growth, which is itself likely to come out only slightly lower than the 6.5 per cent expected a year ago. Last November, the Treasury expected that only 2.5 percentage points would represent real growth in GDP, with the remainder taken up by inflation. In the event, the position of the two has been reversed: inflation for fiscal year 1994-95 may be only 2.5 per cent, while real GDP growth could well exceed 3.5 per cent.

The chancellor will find it easy to sound tough on public spending, announcing a reduction in the

overall level for the second consecutive year. Last year's nominal spending targets have been under-shot, without any reduction in the volume of public services. Indeed, the IFS has calculated that if the chancellor were to adhere to last year's planned real reduction in spending for next year, the revised nominal control total for 1995-96 would be £25bn less than previously planned.

## Shrink faster

This year at least, Mr Clarke should also be able to silence those in his party calling for tax cuts. A higher rate of economic growth in 1994 means that the economy will return to its trend level of output somewhat earlier than previously thought. Accordingly, public borrowing ought to shrink faster than planned over the coming years, in order to keep demand in check.

Even the more pessimistic analysis, however, envisages the PSBR falling to very low levels - perhaps 1-2 per cent of GDP - by 1997. In that context, the pressure for voter-friendly tax cuts can be expected to be far greater next year. Mr Clarke is unlikely to extinguish those hopes in his coming speech. But the message of the 1994 Budget should be somewhat clearer.

The chancellor should seek to establish a micro-economic counterpoint to the framework for stable macro-economic policy which has been put in place since starting his job in the ERSM. That means clearly laying out, not merely the level of tax and spending for the years ahead, but his plans for their structure as well. After the many new measures imposed in the last three Budgets, Mr Clarke should hold off dramatic change, and certainly he should lose his penchant for gimmickry. An end to "boom and bust" for monetary policy, means early interest rate increases and transparent dealings between central bank governor and chancellor. Similarly, on the fiscal side, it means prior warning that the tax cuts, should they prove feasible, will be aimed at improving, first, the treatment of savings and investment and, second, the relationship between the tax and benefit systems. Mr Clarke should become a reformer. That would be sound economics, indeed.

## Unclean hands in France

Corruption in France does not appear to have been the systemic variety revealed in Italy. The allegations of malpractice that have recently forced the resignations of two French ministers are more reminiscent of cases involving West German politicians during the 1970s and 1980s than those affecting large numbers of government personnel and businessmen in Italy in the past decade. And the latest evidence of malpractice within Britain's conservative party indicates that sleaze is a Europe-wide phenomenon.

All the same, the steady flow of allegations of misdeeds by French politicians and companies executives has added to concern about low ethical standards in public life in France, and this in turn has undermined the credibility and effectiveness of Mr Edouard Balladur's conservative government. A recent opinion poll indicated that 60 per cent of French voters lacked confidence in Mr Balladur's ability to counter corruption. The sleaze in the prime minister's image have set back his hitherto smooth-running campaign to win the presidency in the election due next spring.

Following last year's collapse of electoral support for the Socialist party, partly as the result of revelations over abuse in collection of political contributions, there is a risk that, as in Italy, the mainstream French parties of left and right will end up squarely discredited by the taint of scandal.

## Fringe parties

These developments are most unlikely to create the form of political upheaval seen in Italy. But they will strengthen support for fringe parties ahead of the presidential election. And they may weaken France's voice in the debate over the next stage of European integration, particularly vis-à-vis newly re-elected Chancellor Helmut Kohl. The electoral chances next spring of Mr Jacques Delors, the president of the European commission and former Socialist finance minister, have been heightened by Mr Balladur's problems. However, the "clean hands" advantage afforded by Mr Delors' year absence from the French political scene may be offset by

the public perception of the Socialist party. Anxieties about a lowering of France's international influence were almost certainly in President François Mitterrand's mind yesterday when he rebuffed recent suggestions in the French press about a threat to France's internal stability. The crumbling of Mr Mitterrand's personal authority near the end of his 14-year rule has no doubt added to the general sense of misgiving. But the president was right to warn against premature condemnation of people caught up in corruption investigations.

## Exaggerated judgements

Some members of the French judiciary, emboldened by the high profile activities of Italian magistrates, may have overstepped the mark in their eagerness to publicise investigations into public figures. Exaggerated judgements about a sudden rise in French corruption have also been encouraged by a less forgiving climate in public opinion, itself influenced by what ordinary people have had to put up with during the recession. A range of unorthodox activities is now coming to the surface in diverse French investigations. Even though some of the cases which are attracting publicity date back to investigations started in the 1980s, important voices from the French corporate world now appear to believe that French business should clean up its act. Many of the cases focus on accusations that public contracts have been used to divert funds illegally to party coffers. Mr Balladur has bowed to public pressure by suggesting annual audits of the assets of ministers, parliamentary deputies and senior functionaries, along with external examination of public sector contracts. An outright ban on private donations to political parties, proposed by some French politicians, seems unlikely to be the right answer. Greatly increased transparency of the finances of parties and individuals involved in public dealings is a necessary condition for persuading French voters that the government's campaign on corruption can be successful. These are the kinds of reform which are needed elsewhere as well.

Poland's President Lech Walesa, the former army corporal and shipyard electrician who led the Solidarity movement to victory against communism in 1989, is under fire from all sides.

The shots are the opening salvoes of what promises to be a bruising and prolonged presidential election campaign, in which Mr Walesa is fighting not only for re-election but also for the incorporation of strong presidential powers in the new constitution currently in preparation.

Thus far Mr Walesa is the only declared candidate for an election that will not take place until November 1995. His most likely challenger is the smooth, English-speaking Mr Alexander Kwasniewski, a rising star in the last communist government who re-emerged as the *eminentia grisea* behind last year's electoral victory of the Communist party's successor, the Democratic Left Alliance (SLD).

But the most painful attacks on Mr Walesa to date have come not from his ex-communist opponents but his former Solidarity allies. They have regrouped in a new coalition called the Freedom Union, following their defeat at elections called by Mr Walesa, against their advice, in September last year.

That election brought victory for the former communists. For many former Solidarity supporters, calling the election was the most serious of a string of tactical miscalculations made by Mr Walesa since he split the Solidarity movement by his determination to become Poland's first post-communist president in 1990.

Last week Mr Bronislaw Geremek, the Solidarity veteran and chairman of the Freedom Union parliament group, told the president to his face: "You pose a threat to constitutional order and democracy in Poland."

Mr Geremek's accusation was followed by harsh criticism from a string of former close Walesa allies, including the former prime minister, Ms Hanna Sokołowska. All accused the president of subverting democracy and parliament through what they claimed were his personalised, unaccountable meddling in delicate affairs of state.

Mr Walesa's cunning political style helped him oust the communist apparatchiks five years ago. But the growing army of Mr Walesa's critics view such talents as unsuitable for the president of a democratic society based on law.

Critics liken him increasingly to a typical Communist party first secretary under the old regime, used to giving personal orders to cronies and oblivious to legal or constitutional restraint.

Under the terms of the "small constitution", an interim document containing amendments to the con-

## President at the eye of the storm

Attacks on Walesa reflect political uncertainty in Poland, write Christopher Bobinski and Anthony Robinson

munist-era constitution still in force, Mr Walesa secured partial control over the defence, foreign and internal affairs ministries.

His intention to maintain and, if possible, strengthen these powers lie behind the actions for which he is now being criticised. These include his interference in the allocation of TV broadcasting licences by the Radio and TV Council, an independent regulatory body. This is seen as an attempt to ensure that licences went to groups likely to support his political aims.

And he has used his defence powers to manoeuvre inside the top reaches of the military establishment in a bid to strengthen his grip on the armed forces. Mr Walesa sought the support of top army leaders to remove Admiral Piotr Kolodziejczyk, a one-time ally and former Warsaw Pact admiral, from the post of defence minister.

The president saw his generals, led by General Tadeusz Wilecki, the chief of staff, as allies against the minister because of their unhappiness over continuing military spending cuts. Mr Kolodziejczyk resisted the attempt to sideline him, but the move has precipitated a political crisis over control of the 200,000-strong army. It has attracted criticism from Solidarity supporters and former communists, who united to pass a resolution that his actions "were endangering democracy".

At the same time as Mr Walesa is coming under fire from his former allies, there has been bitter in-fighting between the leaders of the uneasy coalition government of former communists and peasant farmers, which is now at the start of its second year in power.

Mr Kwasniewski is the senior partner in the coalition, his SLD party having won most votes in the September 1993 general election. However, he has been consistently frustrated and outmanoeuvred by Mr Waldemar Pawlak, the prime minister and leader of the Peasant party. Mr Pawlak displays qualities of stubborn craftiness traditionally associated with the peasantry in this still largely rural country of small private farmers. While Mr Kwasniewski has been supporting ideas for modernising Poland, such

## Poland's economy: the upswing continues

|   | 1989  | 1990 | 1991  | 1992 | 1993 | 1994   |
|---|-------|------|-------|------|------|--------|
| Output & expenditure (% change)           |       |      |       |      |      |        |
| GDP at constant prices                    | 0.2   | 1.8  | -7.6  | 1.5  | 3.8  | 4.5    |
| Consumption at constant prices            | -1.5  | 1.1  | 3.3   | 5.0  | 5.3  | na     |
| Gross fixed investment at constant prices | -5.1  | -3.5 | -14.2 | -2.5 | 2.9  | na     |
| Industrial production                     | -1.4  | -2.1 | -11.9 | -3.9 | 5.8  | 13.0   |
| Exports                                   | 4.5   | 4.4  | 17.5  | 6.7  | 2.9  | 23.7   |
| Imports                                   | 16.5  | 17.8 | 48.9  | 19.1 | 12.7 | 11.7   |
| Private savings (% of GDP)                | 29.8  | 30.6 | 30.0  | 46.0 | 43.0 | 55-57* |
| Private savings as % of consumption       | 25.1  | 26.5 | 19.3  | 43.8 | 36.3 | 30.0   |
| Wages and salaries (% of GDP)             | 28.0  | 28.0 | 28.0  | 32.0 | 37.0 | na     |
| Unemployment (% of labour force)          | 0.1   | 0.1  | 14.6  | 15.4 | 15.7 | na     |
| Monetary growth (% change)                |       |      |       |      |      |        |
| Broad money (end-year)                    | 508.5 | 189  | 36.0  | 57.5 | 36.0 | na     |
| Government spending (% of GDP)            | na    | na   | na    | na   | na   | na     |
| State budget balance                      | na    | na   | na    | na   | na   | na     |
| State budget expenditure                  | na    | na   | na    | na   | na   | na     |

Source: European Bank for Reconstruction and Development, National statistics

as privatisation, Mr Pawlak has been dragging his heels and concentrating on using power for the benefit of his peasant supporters.

This week, Mr Pawlak agreed to sign a bill to launch the long-stalled privatisation programme - after months of insistent prodding by Mr Kwasniewski. But he agreed to sign only after securing concessions that take several enterprises of interest to the rural sector out of the programme.

Mr Pawlak has also positioned his party as a suspicious watchdog over the largely foreign-managed investment trusts that will manage the

460 or so enterprises included in the programme. In so doing, he has upstaged the ex-communists in pursuit of latent anti-capitalist voters.

The prospect of a bitter presidential contest and governmental in-fighting does not appear to have had any impact on Poland's economic recovery and its new found attractiveness for foreign investors thus far.

The government's proposal to limit the independence of the central bank - whose current governor was nominated by Mr Walesa - by creating an advisory board nominated by politicians, is one worry-

ing straw in the wind. It reflects a conflict between the central bank's willingness to keep interest rates high to counter inflation and the government's desire for cheaper financing of the budget deficit.

But the recovery in Poland's export markets of Germany and the rest of the European Union, growing trade with and financial inflows from Russia and other former Soviet states, and strong domestic demand are combining to keep up the growth which began in 1992. The economy is set to expand by 4.5 per cent this year and next.

Industrial output rose by an extraordinary 13 per cent over the first nine months of this year and growth was exported. Exports increased 23 per cent in this period to \$10.7bn while import growth slowed to 7 per cent at \$11bn.

Rapid growth and higher real incomes carry some risk of overheating, however. Inflation accelerated in the third quarter, causing prices over the first nine months to rise by 2.9 per cent on the same period of 1993.

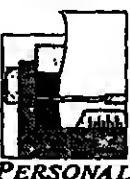
But money supply and the budget deficit for this year are both within the limits agreed in the summer with the International Monetary Fund as part of negotiations over a loan to help reduce Poland's commercial debt. Next year's draft budget with a planned deficit of 3.3 per cent of GDP appears achievable. Inflation next year, according to the Finance Ministry, should be about 2.3 per cent, down from the 3.1 per cent forecast for 1994 as a whole.

Meanwhile the prime minister's go-ahead for the mass privatisation programme will allow the IMF to disburse funds promised to help finance the first payment of \$1.5bn in the \$1.6bn London Club debt reduction deal finalised last month. The IMF had earlier made clear that progress on privatisation was a condition for releasing the funds.

The combination of debt reduction, IMF approval and mass privatisation is expected to attract foreign fund managers to Warsaw to help the privatisation programme. Their skills will be needed in setting up and running the 20 National Investment Funds that will manage the privatised enterprises on behalf of millions of Poles who have bought privatisation vouchers.

Despite the risks of political storms in the months ahead, the improving economic outlook should also be attractive to foreign banks and investors, who have so far been reluctant to set down roots in Poland. Yet this country, the first to overthrow communism, has also been the first to restore macroeconomic stability and, for the past two years, one of the fastest growing economies outside south-east Asia.

## A partial cure for Italy's deficit



## PERSONAL VIEW

In its triennial economic and financial plan, published at the end of September, the Berlusconi government acknowledged Italy's continuing fiscal problems and announced the broad outlines of a cure.

In the absence of any corrective action, the budget deficit, it was estimated, would increase from L160,000bn in 1994 (or some \$100bn) resulting in a mammoth ratio of debt to gross domestic product of 126 per cent in 1994, and 134 per cent of GDP in 1997. The plan called for new measures to bring the deficit down to L100,000bn by 1997, the target set by the previous Ciampi government. The reduction of L100,000bn was to be accomplished by a cut of L45,000bn in 1995, with further cuts of L55,000bn over the following two years.

The details of the first year's programmes were revealed when the government submitted the long-awaited 1995 budget to parliament at the end of September. So far, it

has been fairly favourably received by Italian and foreign commentators. The main reason seems to be that the programme is more austere than was expected from the electoral programme and earlier utterances of the parties in government.

It also satisfies the targets set out in the three-year plan to reduce the deficit by L50,000bn. And L28,000bn, or more than half of that reduction is supposed to come from expenditure cuts.

Another feature that contributed to the favourable judgment is that the budget was accompanied by wise and courageous proposals to reform the pension system. Existing laws passed before 1991 by governments in search of votes had given irresponsibly favourable treatment to the retired. This, together with the large share of the expensive National Medical Insurance System borne by the government, threatened to absorb an unsustainable portion of national income.

The proposals gradually shift the Italian pension system towards those of other countries in the European Union.

The rest of the budget, however,

suffers from several significant shortcomings.

To begin with, the assertion that the deficit reduction will come primarily from pruning expenditure rests on an arbitrary and unacceptable classification of individual items, including some questionable ones.

Far more serious is that L19,000bn, or some 40 per cent of

## Some of the budget proposals suffer from several significant shortcomings

the deficit reduction, will come from payments made in exchange for an amnesty for a variety of transgressions of laws and regulations. These include tax evasion and the violation of building codes.

Such sources of revenue are not new to Italy, but they have never been used to such a degree. They are immune in that they reward illegal behaviour, in the long run,

they are self-defeating, since they encourage such behaviour.

Furthermore they cannot be regarded as ordinary income, since they represent the liquidation of an asset - the claims against the violators. They are therefore transitory and will have to be replaced by more permanent measures next year (though the government estimates that some of the proposed measures may reduce tax evasion in future).

Other measures are similarly transitory, such as the postponement of the inflation adjustment on pensions. Finally, there is some concern about the reliability of the estimate of savings of L50,000bn. The estimate of interest costs is likely to be too optimistic and the revenue from amnesties is uncertain and easily overestimated.

The deficit reduction is thus unlikely to be as effective as planned, largely because it will be achieved by questionable and transitory means.

The actual, permanent reduction will probably be less than L30,000bn, requiring savings of

another L70,000bn in the next two years, an annual average higher than that of 1994.

This is a tall order but not impossible. The economy is strong and growing rapidly.

Achieving the cuts, however, requires prompt and intensive attention. The government must devote itself to re-establishing its credibility.

It must use its continuing popularity to prepare Italians for the painful sacrifices and unpopular measures that await them. Only by such actions can it convince financial markets of the seriousness of its commitment to carry out its obligations. Only thus can it begin to reduce the huge premium of Italian interest rates over world interest rates, which threatens to suffocate the economic recovery.

Franco Modigliani

The author is Institute Professor Emeritus, Sloan School of Management, Massachusetts Institute of Technology

## OBSERVER



'How much are the IRA paying us to talk to them?'

## Italy's great and godly

## Undercovering

More funny goings on in the Lloyd's of London insurance bazaar, where gossip of rifts between chairman David Rowland and his chief executive, Peter Middleton, continues to flare up despite repeated denials.

The suspicion at the insurance market's Lime Street headquarters that a few angry Lloyd's Names are trying to cause mischief by spreading rumours has credibility - after all, Lloyd's is turning the screws on thousands of leaseholders who owe it money. But would they get involved in burgling the chief executive's mansion? As Middleton should know, that sort of thing only happens in spy thrillers.

## Bye-bye Robin

There are two ways of looking at the news that Robert MacNeil - known as Robin - is retiring next year after two decades as co-anchor of the MacNeil-Lehrer Newshour, US non-commercial television's admirable weekday fix on current affairs.

Both are sad. Canadian-born MacNeil, long ago a BBC veteran, and his sidekick, Jim Lehrer, an affable Texan and spare-time thriller-writer, have been

continuing voices of sanity amidst increasingly shrill news broadcasting. Their nightly audience - about 2m - is full of policy makers, shakers and warmongers who know that being interviewed by one or the other means recognition.

MacNeil, who insists he always intended to retire on the programme's 20th anniversary, which is also close to his 65th birthday, will not be replaced. Lehrer, the safest pair of hands, will shoulder the whole burden, with help from sub-anchors.

Behind the decision lies another sad fact about the parlous state of public TV's finances. The New York

end of the programme, from which MacNeil operated, will be closed down next year, with production confined to Washington, Lehrer's base. This is a large blow to WNET, Channel 13, in New York.

It also leaves Jim Lehrer with the problem of finding a new sign-off line, when "Goodnight, Robin" becomes history.

## Dash it

Very sorry I can't hand out your school prizes - I've got to hot-foot it back to Sofia to be Bulgaria's new foreign minister. Not an excuse often heard by school heads, but one that Christopher Barnett of Croydon's Whitgift School had to accept on Monday night when his star turn, Ivan Stanicoff, former Bulgarian ambassador in London, pulled out at the last minute. However Agilka Markova, the embassy's cultural attaché, filled the slot admirably. She informed pupils that Bulgarian education came a long way from the days when teachers were forced to tell their pupils that aeroplanes and steam engines were invented in Russia in the 16th century.

## First byten...

As Russia's President Yeltsin ponders more unrest among his ministers, he must occasionally cast envious glances at the growing business career of his predecessor,

Mikhail Gorbachev.

Gorbachev is currently starring in a German ad campaign for Apple Computer and features as a fearfully busy pin-striped executive who will not accept anything but the very best when buying computers for his Green Cross International environmental organisation. "The more freedom Mikhail Gorbachev has in his work, the better," purrs the glossy advertisement.

For his part, Gorbys says: "One is either part of the solution or part of the problem. I decided on the first."

Presumably he is talking about his computer rather than his abbreviated political career.

## Eastern promise

Michael Heseltine, in his role as Britain's trade supremo, is currently in Malaysia, doing a bit of bridge building after the lifting of Malaysia's ban on government contracts to British companies. Among the sights are two 80-storey towers, being built in Kuala Lumpur's city centre, the Malaysians say they will be the world's tallest. Britain's trade and industry secretary was impressed. Apparently the development reminded him very much of London's Canary Wharf project. Given the terrific problems Canary Wharf has gone through, hardly the most tactful of remarks. Or maybe he was being deviously ironic?



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# FINANCIAL TIMES

Friday October 21 1994

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WORLDWIDE EXPERTISE AND RESOURCES

Government aims to boost currency and curb inflation

## Brazil moves to cut flow of foreign investment

By Angus Foster in São Paulo and Richard Lapper in London

Brazil has moved to curb foreign investment flows and limit consumer credit as part of wide-ranging measures to underpin its new currency, the real, and head off inflation.

The measures include a one-off tax of 1 per cent on foreign investment into the stock market, and an increase in the tax on Brazilian companies issuing bonds overseas from 3 to 7 per cent of the total. The tax paid by foreigners on fixed interest investments in Brazil is to be raised from 5 to 9 per cent.

The central bank also raised limits on the amount of dollars that can be bought in the foreign exchange market in an attempt by the government to reduce the upward pressure on the real.

Financial markets reacted calmly yesterday to the measures. A private sector banker said they were welcome, even if they led to a short-term dip in foreign investment. "It is next year that the real investment will

come," he said.

The real was steady in lunch-time trading yesterday at 0.86 against the dollar, while São Paulo's stock market slipped less than 1 per cent in moderate volume.

The package follows the introduction of the new currency in July under an anti-inflation plan drafted by Mr Fernando Henrique Cardoso, then finance minister, who went on to win the presidential election earlier this month.

The real's introduction has cut monthly inflation from 50 per cent to less than 2 per cent. However, the new currency has appreciated more than 15 per cent against the dollar since July, partly because of inflows of foreign capital attracted by Brazil's high interest rates and promising stock market.

The inflow has put pressure on the exchange rate, leading to complaints from exporters that it is making their goods uncompetitive. The central bank's move yesterday followed concerns that limits on dollar transactions had contributed to the real's rise.

Outgoing president, Mr Itamar Franco, denied the package had been held back until after the elections to assist Mr Cardoso's chances.

Mr Franco also denied the measures would lead to recession, as some consumer groups claim. The package includes tighter rules on credit cards and shorter repayment periods on some of Brazil's most popular forms of consumer credit. Since the real's launch, sales of consumer goods such as televisions and cars have increased sharply, many financed by credit.

The measures to tax foreign investment were also seen as a way toward an interest rate rise. Without the new taxes, any rate rise would have accelerated the flow of foreign investment into fixed rate securities, adding to pressure on the exchange rate.

The number of Brazilian bond issues on the Euromarkets is expected to decline, following issuance this year of more than \$1.7bn. But investors say the price of Brazil's existing dollar denominated bonds could rise.

## Newsprint producer lifts tariff in Europe

By Deborah Hargreaves

SCA, one of Europe's largest paper companies, announced a 25 per cent increase in continental European newsprint prices yesterday and a 15 per cent rise in the UK market. The rises take effect from the end of the year.

The Swedish company, opening annual contract negotiations with big newspaper proprietors over supplies, said it was determined to force through increases in spite of resistance.

Mr Ulf Frölander, SCA's graphic-paper managing director, said: "We've cut the prices by so much over the past couple of years, these companies must realise we have got to raise prices as demand goes up." He said intense competition had led to price discounts of DM40 (\$25.80) a tonne since the end of 1992 - the latest increase will recover about DM20 a tonne.

SCA's price increase is the latest in a round of rises expected from the leading newsprint producers in coming weeks as they take advantage of tight supplies to recover some of their rising costs.

The European recovery in the newsprint market comes on the back of an upturn in North America, where two of the largest producers raised prices for the third time this year in August. Fletcher Challenge in Canada and Jefferson Smurfit in the US increased prices by 9 per cent and added a surcharge on all newsprint made from recycled paper.

The surcharge reflects rapidly rising waste paper costs this year, with prices quadrupling in the North American market and tripling in Europe. Prices for virgin pulp have also doubled, leading to sharply higher costs for all newsprint producers.

At the same time, after many years of oversupply, demand has finally caught up with the availability of newsprint.

SCA says it has seen a 6 per cent increase in European newsprint demand this year. Other Nordic companies have raised prices.

## Fresh allegations of financial misdeeds rock UK government

By Philip Stephens, Political Editor

Mr John Major's Conservative government was shaken yesterday by fresh allegations of financial impropriety after the forced resignation of a government minister over his past business relationship with Mr Mohammed Fayed, the owner of Harrods.

A second minister issued a fierce rebuttal of newspaper allegations - repeated in the House of Commons - that he had received cash for asking parliamentary questions on behalf of Mr Fayed. His political position remained in doubt.

Amid chaotic scenes at Westminster, Mr Major stunned the Commons by appearing to suggest under parliamentary privilege that the Harrods chief sought some form of arrangement with the government. A spokesman for Mr Fayed denied that he wanted a deal of any sort with the government.

In the latest of a series of personal and financial scandals that have engulfed the government

since the 1992 election, Mr Tim Smith, a junior Northern Ireland minister, resigned after admitting he broke parliamentary rules over disclosure of his business links with Harrods.

But Mr Neil Hamilton, who as corporate affairs minister is responsible for business ethics, denied any wrongdoing when he supported Mr Fayed during the 1980s battle for control of Harrods with Mr Tiny Rowland of Lohr.

Mr Hamilton announced that he was suing The Guardian newspaper for libel for printing the allegations, repeated in the Commons, that he had been paid for his assistance.

But several senior Conservatives continued to voice doubts over whether Mr Hamilton should remain in his ministerial post. They suggested that he should resign to save the government political embarrassment.

Mr Ian Greer, the chairman of the consultancy that acted for Mr Fayed during the same period, also issued writs against The Guardian newspaper.

The prime minister said the allegations against the two ministers, brought to his attention three weeks ago, had originated from but had not been passed directly by Mr Fayed. He had immediately asked the cabinet secretary, Sir Robin Butler, to investigate.

In what MPs took as indicating that the Harrods chief had wanted some form of deal, Mr Major added: "I made it absolutely clear at that time that I was not prepared to come to any arrangement with Mr Fayed."

Downing Street officials, however, later sought to play down that implication, suggesting that Mr Major was attempting simply to demonstrate that he was determined to act firmly and openly to investigate any allegations he received him.

Mr Smith admitted he received funds for asking questions on behalf of Mr Fayed during the long-running legal battle with Mr Tiny Rowland's Lohr.

Labour leader slams 'sleaze', Page 8

## Russian cabinet approves austere budget

Continued from Page 1

economist. "We would make maximum efforts to support them, and this could be associated with a fixed exchange rate stabilisation fund."

Efforts to increase the IMF's loan fund have been stalled by the reluctance of donor countries.

IMF approval of tough Russian fiscal and monetary reforms could release a \$4.1 bn stand-by loan to Moscow.

IMF officials said that if the government mustered the political will to implement an austere stabilisation programme, the rubble could be pegged to a hard currency, with the support of a

stabilisation fund from the west, as early as next spring.

But parliament, which is expected to be presented with the budget next week, might prove a formidable obstacle. Mr Yagor Gaidar, the former prime minister, who spearheaded earlier reforms, said he supported the government's current efforts.

## Gaza closure

Continued from Page 1

Gaza's severe unemployment and poverty.

The officials said the Palestinian authority was determined to maintain law and order, but could not be responsible for attacks against Israelis by Hamas in Israel or Israeli-occupied territory.

Mr Soufian Abu Zayda, an official of Mr Arafat's Fatah faction, warned Israel against launching raids into Palestinian-controlled territory, an option said to have been put forward by Israeli security chiefs at the cabinet session. "It would mean that Arafat and the Palestinian authority have lost their legitimacy," he said.

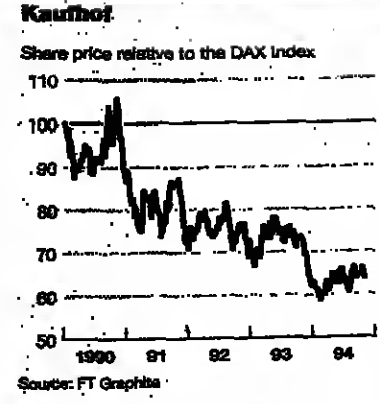
## THE LEX COLUMN

## TeleWest calls again

There is little doubt that investors will prove rather more receptive to TeleWest's flotation now than five months ago. General market conditions are healthier, despite some recent new issue disasters in the UK. More importantly, Wall Street's attitude to the UK cable industry has changed dramatically over the past few months.

Shares in International Cabletel, issued at \$27 a year ago, had slumped to just \$19 when the TeleWest and General Cable flotations were pulled at the end of May. They have since risen by more than 50 per cent. Bell Cablemedia, which went ahead with its Nasdaq listing in June, has done almost as well and Comcast UK's shares are up almost 30 per cent since its \$200m stock issue last month.

FT-SE Index: 3063.2 (+2.4)



The new enthusiasm is based partly on the cable companies' prospects for gaining more telephone subscribers from British Telecom. These have been improved by recent regulatory moves.

If the climate is now much more favourable for TeleWest there is one new complication: BSkyB is planning to float at the same time. The clash has already forced Goldman Sachs to step down as TeleWest's joint global co-ordinator because of its similar role for BSkyB. Although both sides insist cable and satellite do not compete, it is hard to deny they will do so eventually. When it comes to the competition for investors, TeleWest can point to its opportunities in telecommunications. But BSkyB has one important attraction: it makes money.

Kohl has the courage to eliminate. The deals show that the big retailers are at last determined to address some of these deep-seated problems. Profitability will improve as the merged groups pool purchasing and distribution and rationalise their property portfolios. There will also be staff reductions, but these are unlikely to be dramatic. One problem is that the benefits of these measures, especially pronounced in the case of Karstadt/Hertie, will take years to feed through to the bottom line. Against a deteriorating consumer spending background, shares in the large German retailers are likely to continue to underperform.

## German stores

Kaufhof Holding's offer for the outstanding shares in Herten is a prelude to a full-scale merger of the two companies' department store operations. Much needed rationalisation, impossible to implement had Kaufhof stuck with a mere majority stake, should follow. The result will be a further shake-up of the German retail sector following the merger of Karstadt and Hertie last year.

This is welcome, as German retailing is inefficient by international standards. For example, the return on assets at the big stores groups is around 1 per cent, assuming freehold properties are written up to market value. Wages as a proportion of turnover are high, reflecting cosy relations between management and workforce. Innovation and competition are stifled by regulation which not even the free-market oriented Chancellor Helmut

## US telecoms

There are two main lessons from this week's results from US long distance telecoms operators. First, that large price cuts are no longer needed to stimulate growth in call volumes. Second, that there is little pressure on the three main operators - AT&T, MCI and Sprint - to resume the frenetic price-cutting of previous years.

The overall market is growing at 9 per cent a year. Some of that is down to robust economic growth. But the economy is also becoming more telecoms intensive: customers are laying up new services such as voice mail and data communications. Given that the operators' main cost - paying for access to local networks - is also falling, it is hardly surprising that margins have widened.

Meanwhile, the industry has settled into a stable phase. MCI, which used to cut prices aggressively to build up market share, is now emphasising

margin improvement. That means AT&T is not forced to respond with its own price cuts and has even been able to raise prices on a selective basis. The entrance of the Baby Bells into long-distance market could have upset this *modus vivendi*, but legislation enabling that collapsed last month.

The real concerns about the companies relate to their activities outside the long-distance market. All three have ambitious strategies to enter wireless communications. In AT&T's case, that has already diluted earnings. That explains why the rosy outlook for long-distance services has not been reflected in the groups' share prices.

## Bank lending

UK banks are in danger of experiencing economic recovery with precious little growth in their loan books. Their problem was highlighted by yesterday's M4 money supply figures showing bank lending strangely subdued. If previous patterns had been repeated, corporate lending should have been much greater at this stage of the cycle.

A partial explanation lies in the corporate sector's strong profits growth. In the second quarter, retained earnings jumped by 53 per cent year on year, allowing companies to pay down debt and fund capital projects through cash flow. On top of this, those requiring additional capital have turned increasingly to the equity and bond markets rather than banks.

UK companies are still quite highly geared, supporting the view that most will continue to pay down debt. But if cash flow becomes insufficient to cover expected increases in capital spending, industry will have to turn elsewhere for funds. As interest rates rise, the increased cost of capital in the equity markets may make bank loans relatively more attractive.

## Chase Manhattan

Mr Art Ryan, leaving Chase Manhattan to run Prudential Insurance of the US, has timed his move well. The US banking cycle is probably at its peak, with the easy profit gains behind it. Chase's shareholders have benefited from the partnership between Mr Ryan and his boss, Mr Tom LaBrecque; they may now have cause to worry that the single-minded focus on profitability, Mr Ryan's gift to Chase in recent years, may be diluted just as the bank needs to find ways of replacing the easy ride on the yield curve.

**FT WEATHER GUIDE**

**Europe today**  
Heavy showers will continue in parts of the Mediterranean. Flooding is possible in the extreme south of Italy and parts of south-west and the extreme south of Greece. Numerous showers will be driven south by a strong northerly gale over Sardinia and the northern coast of Algeria. Spain will be dry with a mixture of cloud and sun and temperatures will easily exceed 20C in the south. Ireland, Wales and south-west England will be unsettled. Central Europe, Poland, Hungary and Romania will have a sunny but chilly afternoon. An extensive high pressure area over Russia will keep southern Scandinavia sunny.

**Five-day forecast**  
A rainy and windy weekend is expected in the British Isles, France, the Low Countries and southern Norway as an oceanic low pressure system moves rapidly east. Rain will eventually reach the Alps. A prolonged risk of flooding is expected in southern Greece. Central Europe will be dry at first with some sun. Many parts of western and central Europe will become unsettled next week.

**TODAY'S TEMPERATURES**

| Location     | Max | Min | Location     | Max | Min | Location  | Max | Min |
|--------------|-----|-----|--------------|-----|-----|-----------|-----|-----|
| Abu Dhabi    | 34  | 23  | Algiers      | 22  | 14  | Amsterdam | 14  | 10  |
| Accra        | 34  | 23  | Antwerp      | 14  | 10  | Atlanta   | 24  | 14  |
| Aden         | 34  | 23  | Athens       | 22  | 14  | Bangkok   | 28  | 18  |
| Algeria      | 22  | 14  | Bombay       | 28  | 18  | Barcelona | 20  | 10  |
| Amman        | 24  | 14  | Buenos Aires | 24  | 14  |           |     |     |
| Baghdad      | 28  | 18  | Calcutta     | 30  | 20  |           |     |     |
| Bahia        | 28  | 18  | Chengdu      | 18  | 8   |           |     |     |
| Batavia      | 28  | 18  | Dubai        | 30  | 20  |           |     |     |
| Bombay       | 28  | 18  | Hong Kong    | 28  | 18  |           |     |     |
| Buenos Aires | 24  | 14  | Kobe         | 18  | 8   |           |     |     |
| Calcutta     | 30  | 20  | London       | 14  | 4   |           |     |     |
| Chengdu      | 18  | 8   | Los Angeles  | 24  | 14  |           |     |     |
| Dubai        | 30  | 20  | Madrid       | 22  | 12  |           |     |     |
| Hong Kong    | 28  | 18  | Moscow       | 10  | 0   |           |     |     |
| Kobe         | 18  | 8   | New York     | 18  | 8   |           |     |     |
| London       | 14  | 4   | Osaka        | 18  | 8   |           |     |     |
| Los Angeles  | 24  | 14  | Paris        | 16  | 6   |           |     |     |
| Madrid       | 22  | 12  | Perth        | 22  | 12  |           |     |     |
| Moscow       | 10  | 0   | Prague       | 14  | 4   |           |     |     |
| New York     | 18  | 8   |              |     |     |           |     |     |
| Osaka        | 18  | 8   |              |     |     |           |     |     |
| Paris        | 16  | 6   |              |     |     |           |     |     |
| Perth        | 22  | 12  |              |     |     |           |     |     |
| Prague       | 14  | 4   |              |     |     |           |     |     |

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## INTERNATIONAL COMPANIES AND FINANCE

## Générale des Eaux turns in 5.4% rise for first half

By John Riddling  
in Paris

Générale des Eaux des French utilities and communications group, yesterday posted net profits of FF1.26bn (\$245m) for the first half of 1994, an increase of 5.4 per cent over the same period last year.

The improvement was achieved on sales of FF72.8bn, a rise of 2.9 per cent. According to the group, sales for the full year should rise by about 4 per cent above the FF154bn recorded in 1993. Profits are expected to increase by a similar proportion, the company forecast.

The strongest growth in sales during the first half came from foreign markets. Turnover outside France rose by

13.1 per cent to FF20.8bn, reflecting strong demand for the company's core utilities activities.

The company said that activity in the French property sector remained weak, claiming that "the small number of new projects weighed heavily on turnover." Losses at Compagnie Immobilière Phénix, the group's property division, prompted a fall of 33.8 per cent in operating profits to FF1.8bn.

Générale des Eaux said it continued to invest heavily in its telecommunications activities. These include its Cofiraf subsidiary, one of the two mobile telephone networks currently operating in France.

● Caisse Nationale de Prévoyance, the French life insurance

company scheduled for privatisation by the end of this year, yesterday predicted it would generate full-year profits of FF1.4bn, writes Andrew Jack in Paris.

It said negotiations that had reopened with the French post office, over the continued sale of its products, would be completed by the end of November. For the first six months CNP's profits rose 15 per cent to FF692m, CNP said.

The developments are likely to have an important effect on details of the pricing of the shares in the privatisation.

About FF1.7bn of its FF692m in sales of life assurance to individuals came through the post office, where CNP has enjoyed nearly all of the sales of policies.

## BBV falls 7.5% after losses in bond market

By Tom Burns  
in Madrid

Banco Bilbao Vizcaya (BBV), the Spanish retail bank, posted a 7.5 per cent fall to Ptas57.7bn (\$461.6m) in third-quarter pre-tax profits after heavy trading losses at its treasury department. This compares with Ptas82bn for the same period last year.

BBV reported losses of Ptas20bn in financial operations, mainly linked to the volatile bond market, for the nine-month period. Over the same period last year the bank posted profits of Ptas29.8bn from financial operations. The bank also reported losses of Ptas7.7bn on restructuring its security portfolio, against income last year of Ptas6.4bn.

The cost of BBV's trading business was partially offset by a 3.9 per cent rise to Ptas252.8bn in the bank's net interest margin and by a 17.6 per cent rise, to Ptas83.6bn, in fees from commissions, most of which were related to investment funds managed by BBV.

Slightly lower costs allowed the bank to lift its operating profit by 21 per cent to Ptas137bn. BBV said this pointed to the "excellent performance" of its pure banking business. BBV said it expected a moderate improvement in its year-end results.

● Banco Popular, the tightly-managed Spanish bank that has been the most profitable in the domestic sector, lifted third-quarter net profits 0.9 per cent to Ptas41.1bn in spite of a 3.4 per cent fall to Ptas83.2bn in operating profit.

● Tabacalera, Spain's semi-state-owned food and tobacco group, expects a 30 per cent to 35 per cent increase in pre-tax profit this year, Mr. Pedro Perez, chairman, said. Reuter reports from Madrid.

"We expect to end the year with around Ptas14bn [pre-tax profit], or an improvement of between 30 per cent and 35 per cent for the parent company," he said.

Tabacalera made a 1993 parent company pre-tax profit of Ptas10.7bn.

## Stet sale reopens advisers debate

By Andrew Hill in Milan

The Italian government is in the final stages of choosing advisers and global co-ordinators for the long-awaited privatisation of Stet, the state-controlled telecommunications holding company.

The importance of the decision - this will be one of the biggest Italian sell-offs - has reignited a simmering debate about the dominance of non-Italian investment banks which have picked up most of the advisory work since the Italian privatisation programme got under way last year.

IRI, the state holding company which owns 65 per cent of Stet, has sent its recommendations on advisers to the Italian Treasury's special privatisation committee, which is completing its analysis of the report. A final decision will be made, probably before the end of this month, by the Treasury, budget and industry ministers.

The Italian press has identified Morgan Stanley, the US investment bank, as the front runner to lead the sale. Morgan Stanley, which has declined to comment on the rumour, was Stet's choice when the previous Italian government was looking for advisers last year. It is not yet clear whether the bank wants to be

| ITALY'S PRIVATISATION PROGRAMME |        |  |                 |                              |
|---------------------------------|--------|--|-----------------|------------------------------|
| Company                         | Date   | Global co-ordinators                         | Valuers         | Valuers/financial advisers   |
| Credito Italiano                | Dec 93 | Credito Italiano & Goldman Sachs             | J.P. Morgan     |                              |
| IMI                             | Jan 94 | IMI & S.G. Warburg                           | CS First Boston |                              |
| Banca Com. Italiana             | Feb 94 | Banca Commerciale Italiana & Lehman Brothers | J.P. Morgan     |                              |
| INA                             | Jun 94 | Goldman Sachs & IMI                          |                 | Schroders & Fox-Pitt, Kelton |
| Enel                            | 1995   | Mediobanca, Merrill Lynch                    |                 | Kleinwort Benson             |
| ENI                             | 1995   |  |                 | N.M. Rothschild              |
| Stet                            | 1995   | n/a  |                 |                              |

Source: Ditta Progetti

financial adviser on the sale of global co-ordinator, which involves taking greater financial responsibility for the success of the offer in Italy and abroad.

On Wednesday, one of the ministers responsible for the offer - Mr. Giancarlo Pajetta, who holds the budget dossier - said he hoped Italian merchant banks would be given part of the mandate for the Stet sale, which should take place in the first half of next year. "We have to give more visibility to small Italian merchant banks, and there are many of them," he added. "We need to encourage the growth of 10 or more Mediobancas."

Mediobanca, which specialises in long-term corporate lending, has been the dominant force in Italian merchant banking since the war, a position it has built up by cultivating close links with Italy's largest

companies, such as Fiat and Pirelli.

But Mediobanca has been awarded only one mandate: it will act as joint global co-ordinator with Merrill Lynch, for the forthcoming privatisation of Enel, the state-owned electricity company. IRI and the last Italian government, headed by Mr. Carlo Azeglio Ciampi, avoided giving Mediobanca the mandate for any of the other state sales, in particular because of fears that it would be unhealthy if Mediobanca increased its influence over Credito Italiano, IMI, and Banca Commerciale Italiana, the state-controlled banks.

By contrast, IMI, the nearest Italy has to a rival home-grown merchant bank, has acted as joint global co-ordinator on two issues - its own privatisation in January, and that of Ina, the state-owned insurer. Certain members of the six-month-old centre-right govern-

ment have given this debate a dubious political tone by implying that it is unpatriotic to select mainly big foreign banks for high-prestige privatisation work.

The difficulty is that few other Italian banks rival Mediobanca or the international investment banks for competence, capital backing and sheer political clout. However, smaller Italian investment houses say there is room to give them certain mandates.

For example, although there are normally two global co-ordinators for a big issue - one foreign and one Italian - for the roles of valuer and financial adviser in all the big public privatisation offers so far, Mr. Alberto Albertini, managing director of the Milan-based investment house of the same name, said yesterday: "For the valuation part it isn't size that counts but professionalism."

## Nomura to be UK prime broker

By Norma Cohen  
in London

Nomura International is to establish a London-based international prime brokerage business providing a full range of services, including securities lending and custody, in order to service the growing number of European-based hedge funds.

The Japanese firm will be the first non-US participant in that business.

So far, the international prime brokerage business has been the preserve of a handful of US-based securities firms which have been servicing the

US hedge funds' expansion into international securities.

Mr. Simon Lühr, deputy managing director in charge of securities lending and prime brokerage at Nomura International, said the number of European-based hedge funds had grown from fewer than 20 to close to 100 in the past few years. Hedge funds typically operate with minimal support services, contracting out back-office functions in order to control costs.

"When the US hedge funds began to diversify out of domestic assets, demand for international prime brokerage services arose," Mr. Lühr said.

A prime broker is a broker/dealer with the capability of providing execution, securities lending, financing, clearance and custody, and reporting services to clients.

Nomura is already a significant participant in the securities lending business and, since changes in Japanese regulations, has acquired a trust bank so that it can begin offering securities custody services as well.

Mr. Lühr said the move into international prime brokerage reflected changes within Nomura. "We've moved away from our regional structure and into global product lines."

## Safera income up 28% in quarter

By Ian Rodger  
in Zurich

Safera Republic, the Geneva-based international private banking group controlled by Mr. Edmund Safera, said its consolidated net income jumped 28 per cent in the third quarter to \$38.5m, or \$2.17 a share, mainly because of a sharp fall in loan-loss provisions.

For the nine months to September 30, net income rose 41 per cent to \$119.8m.

Safera said its net interest

income in the quarter was flat at \$55.8m and trading revenues tumbled 38 per cent to \$5.1m. Net commission income was down 8.1 per cent to \$15.4m.

● Radex-Heraklith Industrieteilignungs, the Austrian refractories and building materials group, returned to profit in the first half following a large restructuring.

The group reported consolidated first half net income of \$22.7m (\$2.1m) compared with a loss \$48.2m in the same period of last year. Group

sales advanced 13.9 per cent to \$54.37m.

Mr. Helmut Longin, chief executive, said the group anticipated a "modest profit" in the full year and intended to maintain its 10 per cent dividend.

● Losses at Steyr-Daimler-Puch, the troubled Austrian motor group, worsened in the first half. The group, 71.3 per cent owned by Creditanstalt-Bankverein, recorded a \$200m loss compared with a \$161m loss in the same period last year.

sales advanced 13.9 per cent to \$54.37m.

## Leif Hoegh lowers forecast

By Karen Fossli in Oslo

Leif Hoegh, the Norwegian shipowner, reported a sharp fall in nine-month pre-tax profit, to Nkr136m (\$20.8m) from Nkr581m, and cut its forecast for 1994 net profits by Nkr50m to Nkr200m.

It blamed the weaker result on reduced capacity and lower earnings by car carriers and liner vessels; high operating costs; lost time due to dry-docking; unrealised losses in the bond portfolio; and bigger than anticipated losses by its Cool Carriers unit.

Group freight revenue rose to Nkr2.14bn from Nkr1.79bn, but higher voyage and charter-hire costs cut operating profit, before depreciation, to Nkr248m from Nkr463m.

Leif Hoegh said this year's figures were not directly comparable to last year's, as Bona

Shipholding, spun off earlier this year into a separate company, is not included.

In addition, Cool Carriers, which the company recently acquired from Bilspeid in Sweden, and Arcade Shipping, the Norwegian group which acquired this summer, are consolidated in this year's accounts.

Net financial charges against accounts reached Nkr24m compared with Nkr12m last year. Hoegh attributed this to higher interest rates which reduced the value of its bond portfolio.

It said unrealised gains on shares and bonds, of Nkr11m, had been reversed, and that a further loss of Nkr19m was charged against accounts.

● Color Line, one of Norway's biggest ferry operators, yesterday reported a near doubling of nine-month pre-tax profits, to Nkr205m from Nkr118m. It

said the full-year result would provide a satisfactory return on invested capital for the first time since the company was established four years ago.

Group revenue rose slightly to Nkr1.61bn from Nkr1.38bn, held back by a Nkr130m increase in operating costs to Nkr1.14bn. Operating profit shot up by Nkr100m to Nkr466m, helped by a 12 per cent rise in passenger volume.

Following last month's Estonia Baltic Sea ferry disaster, new reservations have been well down on normal levels for the period.

"Should this reticence in reservations continue for the rest of the year, I would estimate a weakening in the result for the year for Color Line in the region of Nkr15m compared with our original expectations for 1994," said Jon Erik Nygaard, managing director.

## Kaufhof and Horten plan store merger

Kaufhof Holding and Horten are proposing to merge their retail operations within the Kaufhof group, according to a joint statement yesterday, agencies report.

The proposal reflects Kaufhof's determination to push through rationalisation in the depressed department store sector of the retail market.

Kaufhof took a majority stake in Horten, the fourth biggest department store group in Germany, this summer and is offering to buy out the 41 per cent of Horten's shares it does not already own.

Horten shareholders are being offered DM200 a share, which values the company at about DM1bn (\$666m). Lex, Page 18

**The Republic of Venezuela**  
U.S. \$968,562,000  
Collateralized Floating Rate Bonds due 2000  
USD Discount Series A  
In accordance with the provisions of the Bonds, notice is hereby given that for the interest period from October 21, 1994 to April 21, 1995 the Bonds will carry an interest rate of 5.75% per annum. The interest payable on the above interest period will be U.S. \$33.40 per U.S. \$1,000 principal amount.  
By: The Chase Manhattan Bank, N.A.  
Agent Bank  
October 21, 1994

**The Republic of Venezuela**  
U.S. \$290,698,000  
Floating Rate Bonds due 2000  
USD Debt Conversion Series II  
In accordance with the provisions of the Bonds, notice is hereby given that for the interest period from October 21, 1994 to April 21, 1995 the Bonds will carry an interest rate of 5.75% per annum. The interest payable on the above interest period will be U.S. \$33.40 per U.S. \$1,000 principal amount.  
By: The Chase Manhattan Bank, N.A.  
Agent Bank  
October 21, 1994

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Registered Office, Gare Maritime  
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L-1616 LUXEMBOURG, RC Luxembourg 31439  
**NOTICE OF ANNUAL GENERAL MEETING**  
The Annual General Meeting of Shareholders is to be held at the registered office of the Company on Tuesday, 15th November 1994 at 11.30 a.m. (or as soon thereafter as it may be held) for the following purposes:  
1. To receive and adopt the Directors' Report and Report of the Auditor for the year to 31st July 1994.  
2. To receive and adopt the Statement of Net Assets and the Statements of Operations for the year to 31st July 1994.  
3. To pass a discharge to the Directors in respect of their duties for the year ended 31st July 1994.  
4. To pass a discharge to the Auditors in respect of their duties for the year ended 31st July 1994.  
5. To re-elect Messrs Fox, Paily, Pyke and Willmott as Directors of the Company.  
6. To appoint Messrs Griffiths, Juan Y. Sosa and Phillips previously elected to the Board by the Directors to fill the vacancies left by the resignation of Messrs Brook, Dennis and de Montis, as Directors of the Company.  
7. To re-appoint Messrs Price Waterhouse as Auditors.  
Voting  
Shareholders are advised that in accordance with the Articles of Incorporation the Annual General Meeting of Shareholders will require a Quorum of 10% of the shares outstanding.  
Voting Arrangements  
In order to vote at the meeting the holders of Bearer shares must deposit their shares not later than Friday, 11th November 1994 at the registered office of the Company, or with any bank or financial institution acceptable to the Company, and the relative Deposit Receipts (which may be obtained from the registered office of the Company) must be forwarded to the registered office of the Company to arrive not later than Monday, 14th November 1994. The shares so deposited will remain blocked until the day following the meeting or any adjournment thereof.  
The holders of registered shares need not deposit their certificates but can be present in person or represented by a duly appointed proxy.  
Shareholders who cannot attend the meeting in person are invited to send a duly completed and signed proxy form to the registered office to arrive not later than Monday, 14th November 1994.  
Proxy forms will be sent to registered Shareholders with a copy of this Notice and can be obtained from the registered office of the Company.  
The Board of Directors

**Commonwealth Bank Australia**  
Commonwealth Bank of Australia ACN 123 123 124  
(successor in law to the State Bank of Victoria)  
**U.S. \$125,000,000**  
Undated Capital Notes  
For the six months 21st October, 1994 to 21st April, 1995 the Notes will carry an interest rate of 5.75% per annum with an interest amount of U.S. \$297.01 per U.S. \$100,000 Note and U.S. \$7.428 per U.S. \$250,000 Note. The relevant interest payment date will be 21st April, 1995.  
Listed on the London Stock Exchange  
Bankers Trust Company, London Agent Bank

**GUANGDONG DEVELOPMENT FUND LIMITED**  
Net Asset Value  
Guangdong Development Fund Limited announces that as at 30th September, 1994, the unaudited net asset value per share of the Company was US\$1.009.  
GUANGDONG DEVELOPMENT FUND LIMITED  
(a company incorporated with limited liability in the Bailiwick of Jersey)  
19th October, 1994

**U.S. \$100,000,000**  
**B.B.L. International N.V.**  
Floating Rate Notes Due 1999  
Guaranteed on a Subordinated Basis as to payment of principal and interest by  
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Banque Bruxelles Lambert S.A./  
Bank Brussel Lambert N.V.  
Interest Rate 5 1/4% per annum  
Interest Period 21st October 1994 to 21st April 1995  
Interest Amount per U.S. \$5,000 Note due 21st April 1995 U.S. \$148.51  
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**Notice to the holders of CHIRON CORPORATION (the "Company") (formerly CETUS CORPORATION)**  
5 1/4 per cent.  
Convertible Subordinated Debentures due 2002 (the "Debentures")  
NOTICE IS HEREBY GIVEN to the holders of the outstanding Debentures that the Company has declared a dividend distribution of Preferred Share Purchase Rights which attach to and trade together with the Common Stock.  
Holders electing to convert their Debentures into Common Stock will receive these same rights upon conversion from September 6, 1994 until September 5, 1994.  
The current conversion price is U.S. \$123.33 per share of Common Stock.  
Terms and Conditions of the Rights are provided in a document entitled "Summary of Rights to Purchase Preferred Shares". This document is available from the Company or any of the Paying Agents listed below.  
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London EC4Y 0JP  
Banque Internationale a Luxembourg S.A.  
69 route d'Esch  
L-1470 Luxembourg  
CHIRON CORPORATION  
By: Morgan Guaranty Trust Company as Principal Paying Agent  
Dated: 21st October 1994

**Kommuninvest I Sverige AB**  
U.S. \$100,000,000  
Guaranteed Floating Rate Notes due 1998  
For the Interest Period 20th October, 1994 to 20th January, 1995 the Notes will carry a Rate of Interest of 5.75% per annum. The interest payable per U.S. \$5,000 Note will be U.S. \$7.42, and for the U.S. \$100,000 Note will be U.S. \$1,464.44, payable on 20th January, 1995.  
Listed on the Luxembourg Stock Exchange  
Bankers Trust Company, London Agent Bank

**U.S. \$50,000,000**  
**Hyosung (America), Inc.**  
(Incorporated with limited liability in the State of New York, U.S.A.)  
Guaranteed Floating Rate Notes due 1996  
For the three month Interest Period 19th October, 1994 to 19th January, 1995 the Notes will carry an interest rate of 5.0625 per cent. per annum, with a Coupon Amount of U.S. \$774.56 per U.S. \$50,000 Note, payable on 19th January, 1995.  
Listed on the Luxembourg Stock Exchange  
KDB Asia Limited Hong Kong Agent Bank

**Banesto Finance Ltd.**  
US\$100,000,000  
Subordinated floating rate notes due 2003  
Notice is hereby given that the notes will bear interest at 7.3125% per annum from 21st October 1994 to 21st April 1995. Interest payable on 21 April 1995 will amount to US\$184.84 per US\$5,000 note US\$369.69 per US\$10,000 note and US\$3,696.88 per US\$100,000 note.  
Agent: Morgan Guaranty Trust Company  
**JPMorgan**

**Landeskreditbank Baden-Württemberg**  
US\$200,000,000  
Subordinated floating rate notes due 2002  
Notice is hereby given that the notes will bear interest at 7.625% per annum from 21st October 1994 to 21st April 1995. Interest payable on 21 April 1995 will amount to US\$28.12 per US\$1,000 note and US\$281.22 per US\$10,000 note and US\$2,812.15 per US\$100,000 note.  
Agent: Morgan Guaranty Trust Company  
**JPMorgan**

**BANQUE NATIONALE DE PARIS**  
USD 225,000,000  
Subordinated Floating Rate Notes due 2002  
Notice is hereby given that the rate of interest for the period from October 21st, 1994 to April 21st, 1995 has been fixed at 5.8875 per cent. per annum. The coupon amounts due for this period are USD 28.75 per denomination of 1,000, USD 287.50 per denomination of 10,000 and USD 2,875.35 per denomination of 100,000 and are payable on the interest payment date April 21st, 1995.  
The Fiscal Agent  
Banque Nationale de Paris (Luxembourg) S.A.

**U.S. \$300,000,000**  
**Province de Québec**  
Floating Rate Notes Due 2001  
Interest Rate 5 1/4% per annum  
Interest Period 21st October 1994 to 21st April 1995  
Interest Amount per U.S. \$5,000 Note U.S. \$7.428 per U.S. \$250,000 Note U.S. \$7.428  
CS First Boston Agent

**SUN LIFE GLOBAL PORTFOLIO (SICAV)**  
Registered Office: 14, Rue Aldringen, Luxembourg  
R.C. Luxembourg Section B No. 27526  
**DIVIDEND ANNOUNCEMENT**  
The Board of Directors announce that a dividend has been declared on each of the below mentioned Portfolios at the rate per share shown which will be paid on 11th November 1994 to the respective Shareholders of record of those Portfolios as at the close of business on 30th September 1994.  
0.69 p (UK) per share for Haven Portfolio  
1.53 p (UK) per share for Distribution Portfolio  
The Board of Directors  
30th September 1994

**£200,000,000**  
**MFC Finance No. 1 PLC**  
NOTICE OF REDEMPTION  
Series 'A' to 'F' Mortgage Backed Floating Rate Notes Due October 2023  
Notice is hereby given, that in accordance with Conditions 5(c) of the Prospectus dated 12th October 1988, the issuer intends to redeem £2,400,000 in aggregate value of the Notes on the respective November 1994 interest payment dates.  
By: Citibank, N.A. Issuer Servicer  
October 21, 1994, London  
**CITIBANK**

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ask Anne Whitley  
Tel: 0171-734 7174  
Fax: 0171-439 4966

**East Rand Gold and Uranium Company Limited**  
Reg. No. 217870/0108  
**Free State Consolidated Gold Mines Limited**  
Reg. No. 052221/0108  
(Both companies incorporated in the Republic of South Africa)  
Copies of the above mentioned companies' interim reports have been issued today and are available from the London Secretaries:  
Anglo American Corporation  
of South Africa Limited,  
19 Charterhouse Street,  
London EC1N 6QP.  
20 October 1994

**Oriz Ireland Finance PLC**  
Yeo 10,000,000,000  
Fixed and Floating Rate Guaranteed Notes 1996  
The notes will bear interest at 2.625% per annum from 21 October 1994 to 23 January 1995. Interest payable on 23 January 1995 will amount to Yen 66,542 per Yen 10,000,000 note.  
Agent: Morgan Guaranty Trust Company  
**JPMorgan**

**FIVE ARROWS ASIAN GROWTH FUND**  
FCT  
2, Boulevard Royal, Luxembourg  
**DIVIDEND ANNOUNCEMENT**  
FIVE ARROWS ASIAN GROWTH FUND will pay a dividend of U.S. \$1.10 on October 28, 1994.  
Shares will be traded ex-dividend on October 21st, 1994.  
The dividend is payable to holders of bearer shares against presentation of coupon no. 5 to BANQUE INTERNATIONALE A LUXEMBOURG - 69, route d'Esch, L-1470 LUXEMBOURG, GRAND DUCHY OF LUXEMBOURG.  
The Board of Directors of FIVE ARROWS MANAGEMENT S.A. Société Anonyme

**DIXONS FINANCE B.V.**  
US\$50,000,000  
**GUARANTEED FLOATING RATE NOTES DUE 1997**  
In accordance with the provisions of the Notes, interest is hereby given that for the period 20 October 1994 to 30 April 1995 the Notes will carry a rate of interest of 5.5000% per annum with a coupon amount of US\$317.51 per US\$100,000.  
**CHEMICAL**  
Agent Bank



## INTERNATIONAL COMPANIES AND FINANCE

Earnings improve in US after strong sales of consumer healthcare products

## Drugs groups advance over term

By Richard Waters  
in New York

Strong sales of consumer healthcare products supported third-quarter earnings at both Warner-Lambert and American Home Products, the US pharmaceuticals and healthcare companies.

Mr Melvin Goodes, chairman and chief executive of Warner-Lambert, which derives two-thirds of its sales from consumer products, said worldwide growth accounted for a 20 per cent increase in sales

from a year before, to \$1.13bn. This was partly due to a joint venture with Wellcome, under which Warner-Lambert markets some of the UK company's products in the US.

AHP, which is in the process of completing its acquisition of American Cyanamid, reported a 14 per cent increase (13 per cent without exchange adjustments) in non-US consumer product sales.

Overall, such products, which account for just over a quarter of the group's total healthcare sales, recorded 6 per

cent growth. AHP's bigger pharmaceuticals business also reported a 6 per cent advance in sales, to \$1.5bn, driven by a 14 per cent jump in revenues outside the US.

Demand for infant nutritional products and the company's contraceptives accounted for the growth.

This was balanced by growth of only 2 per cent in US drugs sales (4 per cent excluding the Agri-Bio business, which was sold earlier this year).

Warner-Lambert's drug sales, meanwhile, rose just 22m

from a year before, to \$34m. Sales in the US of Lopid, the company's lipid regulator, slipped on competition from generic drug makers, resulting in a 1 per cent overall fall in US sales, to \$274m.

Warner-Lambert's net income for the period rose 8.5 per cent to \$182.2m, or \$1.26 a share, on overall sales up 13 per cent to \$1.67bn.

AHP's after-tax profits were 4 per cent higher, at \$413m, or \$1.35 a share, on sales of \$2.26bn, also 4 per cent higher than the 1993 quarter.

## ITT may sell off its Sheraton franchises

By Richard Waters

The prospect of further asset sales by ITT was raised yesterday by Mr Rand Araskog, chairman of the US conglomerate, which reported virtually flat net income in the latest quarter.

Mr Araskog said the most likely candidate for sale or a spin-off was the Sheraton hotels franchising business.

Of the 270 Sheraton establishments in North America, 207 are franchised rather than owned by the company.

In total, hotels accounted for \$18m of the group's operating net income in the latest quarter, and \$913m of sales.

ITT is selling its financial services businesses, other than insurance, in part to help finance the purchase of



Rand Araskog: under pressure from shareholders to sell

Viacom's Madison Square Garden business. ITT is undertaking the \$1.1bn deal in association with Cablevision, a cable-TV operator.

The group has come under pressure from shareholders to dispose of various operations which could be worth more as stand-alone businesses.

The group's ongoing businesses as a whole recorded operating income of \$399m, up 22 per cent from a year before.

Net income as a whole was \$257m, \$5m higher than in the 1993 quarter on sales up 10 per cent to \$5.67bn. Earnings per share rose 5 per cent, to \$2.01.

## NEWS DIGEST

## John Fairfax in talks over pay television deal

John Fairfax

Share price (AS)

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Source: FT Graphix

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up from \$1.67bn a year earlier. Other banks are also expected to announce improved results. Stock market analysts believe the banking sector as a whole will increase net profit by more than 30 per cent this year.

Krung Thai Bank also announced it would raise up to \$100m with an issue of long-term, unsecured debentures, and would raise its stakes in affiliated computer service and insurance companies.

## Improved sales help boost Sentrachem

Sentrachem, the South African chemicals producer, turned in a solid performance for the year to August, raising net income 43 per cent to \$158m (\$45.3m) from \$111m a year ago, writes Mark Suzman in Johannesburg.

Turnover increased by 7 per cent to \$2.8bn from \$2.62bn, reflecting improved sales from most divisions, although troubled Mega Plastics remained under pressure.

Operating income rose 16 per cent to \$248m from \$214m while finance charges dropped to \$55m from \$66m, largely as a result of a successful \$288m rights issue in February. The dividend was increased 17 per cent to 28 cents from 24 cents.

The group said that given the upturn in international chemical prices and the improvement in the commodity cycle, it expected earnings for the next financial year to improve significantly.

It also noted that its reduced net borrowings of \$147m, just 12 per cent of equity, left it in a strong position to take advantage of new projects or acquisitions.

## DDI rights issue to be largest since ban lifted

DDI, a Japanese long-distance telecommunications operator, is planning a rights issue of around ¥50bn (\$514m) next month, writes Emilio Terazono in Tokyo.

The issue will be the largest rights issue at market price since the Ministry of Finance lifted its ban at the end of last year. The ministry had restricted financing through market price public offerings since the stock market crashed in 1990.

The company said it may offer around 60,000 new shares. Although the move will come after next week's listing of Japan Tobacco, analysts said the issue was unlikely to cause over-supply worries among stock market investors due to the small amount of funds involved.

DDI plans to use the funds to invest in its personal hand-phone operations which are due to start next spring.

## Highlands Gold falls

A large explosion at the Porgera gold mine in August sliced earnings of Highlands Gold, the Papua New Guinea mining group in the September quarter, writes Bruce Jacques. Net earnings for the period were down to \$312,000 (\$752,000) from \$7.5m on a decline in revenues to \$16.9m from \$27.2m.

## Bankers Trust tumbles 45% in third term to \$169m

By Patrick Harverson  
in New York

Bankers Trust reported a 45 per cent drop in third-quarter profits to \$169m yesterday, but management of the New York City-based bank expressed satisfaction at the performance in what it described as a difficult business environment.

The bank said its client financial risk management and proprietary trading businesses had performed especially well. This indicates that the problems Bankers Trust encountered earlier in the year in selling derivatives products and in trading its own money have partially eased.

The profits are equivalent to \$1.38 a share, compared with \$2.50 in the same quarter of 1993. Net revenues were \$542m, down from \$773m a year ago, when results were boosted by record revenues from trading activities.

Return on equity in the latest quarter was 15 per cent, a respectable figure among banks of its type.

However, investors had hoped Bankers Trust would match analysts' earnings per share estimates of about \$2.15, and the shares fell \$1 to \$66 on the New York Stock Exchange in early trading.

Although trading revenues of \$278m were down from last year's record \$413m, they were stronger than analysts had expected.

Net interest revenues, however, came in well below forecasts at \$264m.

An increase in assets under management helped lift fiduciary and fund management revenues slightly, to \$188m, but fees and commissions slipped 18 per cent to \$168m due to the slowdown in corporate finance activity.

## Broking unit pushes Salomon into the red

By Patrick Harverson

Salomon yesterday announced a third-quarter net loss of \$104m, or \$1.13 a share, following another poor performance from its Wall Street securities broking unit, Salomon Brothers.

In the same quarter a year ago, the group earned a profit of \$20m, or \$0.01. Salomon warned two weeks ago it would report a big quarterly loss.

For the second consecutive quarter, the damage was inflicted by Salomon Brothers, which incurred a pre-tax loss of \$176m. This compared with a modest profit of \$18m in the same quarter a year ago, and took total losses for the first nine months of 1994 to \$547m.

The rest of the US securities industry has seen earnings decline this year after the sharp deterioration in trading and underwriting conditions on Wall Street. But Salomon Brothers has suffered more than most, mainly because a large part of its business involves raising its capital in the global financial markets.

In the last quarter, the firm is believed to have been hit by losses on its mortgage-backed securities positions, which it has now shrunk to minimise the potential for more trouble.

## Earthquake losses continue to shake Sears, Roebuck results

By Laurie Morse in Chicago

January's California earthquake again shook Sears, Roebuck's bottom line in the third quarter, with additional catastrophe losses announced by its Allstate insurance subsidiary in September reducing the US retailer's net income by \$124m.

Allstate yesterday reported its quake-related losses had reached \$945m for the first nine months of the year, with Sears' share of those losses at \$677.1m.

Income growth at Sears' merchandising division helped offset the insurance losses, with Sears reporting third-quarter earnings of \$363.5m, or 91 cents a share, down from \$388.4m, or 98 cents, in last year's third quarter.

Sales for the quarter were up about 8.3 per cent, to \$13.2bn, from last year's \$12.7bn.

Sears' Merchandise Group recorded third-quarter net income of \$196m, up from \$159m last year, while sales

Sears, Roebuck

Share price (\$)

80

70

60

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40

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Source: FT Graphix

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Source: FT Graphix

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Source: FT Graphix

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excluding the impact of the earthquake," said Mr Edward Brennan, Sears chairman.

"The fundamentals of our Sears and Allstate businesses are very sound," he added.

For the first nine months net income was \$769.0m, or \$1.92 a share, on revenues of \$88.48bn. In the same 1993 period Sears had income of \$1.83bn, or \$4.73, which included a \$636.1m gain from Allstate's share offering.

Sears' revenues in the period last year were \$88.17bn. Allstate, 80.1 per cent owned by Sears, separately reported its third-quarter income at \$183.9m, or 43 cents, down sharply from \$325.7m, or 73 cents, last time.

The company said losses from the California earthquake reduced third-quarter earnings by 61 cents a share. Allstate's third-quarter revenues were \$5.98bn, up from \$5.32bn.

For the nine months Allstate's income was \$200.7m, or 71 cents, against \$1.04bn, or \$2.42. Sales for the period were \$15.03bn, up from \$15.66bn.

## AT&amp;T flat despite record rise in revenue following McCaw merger

By Frank McGurty  
in New York

AT&T, the leading US telecommunications group, yesterday said revenues jumped by a record 8.3 per cent in the third quarter but its net income was virtually static.

These were the first results to reflect AT&T's recently completed merger with McCaw Cellular Communications.

Although the deal in effect depressed short-term profitability, it also opened up an important new source of revenue for the group by giving it a solid presence in the growing market for wireless communications.

Net income for the enlarged group was \$1.05bn, or 87 cents a share, compared with restated profits of \$1.02bn, or 86 cents, for the same period of 1993.

About 10 per cent, or 9 cents a share, was sliced off the

combined earnings by the dilutive effect of 200m new shares issued by AT&T as part of the merger deal. Associated expenses reduced profits by a further 11 cents, or \$17m.

AT&T's underlying performance was robust. Without the merger, net income would have shown a solid 13 per cent increase to \$1.19bn, or 87 cents a share, against \$1.05bn, or 73 cents, a year earlier.

Stripping out the McCaw contribution, revenues were still strong, up nearly 8 per cent at \$18bn. Wall Street had expected slightly lower figures.

"No matter how you look at the numbers, they add up to a very good quarter from operations," said Mr Robert Allen, chairman.

The improvement was evident across the board. Long-distance calling volumes climbed more than 7 per cent, due in part to the success of consumer incentive

programmes. Gross profit margin showed a gain, too, helping to lift telecommunications revenue by 3.5 per cent to nearly \$11bn.

McCaw Cellular generated total revenues of \$735m, against \$563m in the 1993 quarter. Its subscription base grew to 3.6m.

Sales of products - including network equipment, computer systems and microelectronic components and others - surged by 20 per cent to \$5.07bn.

However, the good results failed to have much impact on AT&T's share price, which was up a scant 1/4 at \$47 1/4 in early trading.

For the first nine months of the year, consolidated net income was \$3.37bn, or \$2.18 a share, on revenues of \$53.9bn.

Restating the year-earlier figures, the company would have reported a net loss of \$5.5bn, on sales of \$50.2bn.

## Northwest Airlines joins sector recovery

By Richard Tomkins  
in New York

Northwest Airlines yesterday reinforced the picture of recovery among the big US carriers by reporting its highest-ever quarterly profits for the three months to September.

Northwest said net income jumped from \$110.7m to \$170m in the third quarter, its fifth consecutive quarter of profitability.

The size of the increase echoed the figures reported a day earlier by American Airlines, which increased net profits to \$18m from \$102m.

Northwest said revenues rose 6.5 per cent to \$2.5bn and operating profits rose 34 per cent to \$359.2m.

Earnings per share, fully diluted, were up 19 per cent at \$1.73.

Like American Airlines, Northwest has been responding to competition from

smaller, low-cost carriers in the US by cutting unprofitable routes and increasing productivity in its remaining operations.

It has also benefited from lower jet-fuel prices and growth in the US and world economies.

Last year Northwest won a substantial reduction in its costs by reaching a deal with its workforce in which it swapped a 27.4 per cent stake in the company for wage cuts and other labour concessions worth \$88m over 36 months.

The airline has also suffered less from low-cost competition than some other big carriers. Many of the areas Northwest serves are less densely populated and are therefore less suitable for the high-frequency, short-haul shuttle services that low-cost operators offer.

This helped the airline lift the average fare paid - the yield - by 5.3 per cent.



## INTERNATIONAL COMPANIES AND FINANCE

## HKSE censure forces newspaper chief to resign

By Simon Holberton  
in Hong Kong

Mr Yu Pun Hoi yesterday resigned as chairman of the Ming Pao newspaper group after the Hong Kong Stock Exchange censored him for failing, on three occasions, to own up to a criminal record.

A senior stock exchange official said the exchange took seriously Mr Yu's failure to observe its listing rules requiring directors to disclose past criminal convictions.

"The issue is not what he did 14 years ago," said Mr Herbert Hui, head of the listing division. "The issue is that 12 years on, as a director, he negligently signed our listing agreement three times."

The resignation of Mr Yu comes at a time of upset in Hong Kong's media industry. The Oriental Daily group's foray into English-language

publishing appears to have foundered.

The scrutiny surrounding last month's dismissal of the paper's editor continues to sour relations between the publication's largely expatriate staff and Chinese owners.

This week, most of the senior staff of the Eastern Express resigned and the continued publication of the paper is in doubt.

Meanwhile, there was confusion at Ming Pao last night, and Mr Yu was unable to say who would replace him as chairman. Mr Yu, and interests associated with him, own 60.5 per cent of the company.

Since the disclosure last week that he had served a short prison term in 1979 for cheque fraud and possession of a firearm, Mr Yu has come under intense media attention. His private life, about which

little is known, has been subjected to scrutiny, much of it barren.

On Wednesday, his peers deserted him when he was forced to step down from the chairmanship of the Newspaper Society of Hong Kong, the colony's publishers' association.

Significantly, representatives of the colony's two main pro-China newspapers voted for his dismissal. Mr Yu, through his privately-held CIM, is a large investor in media on the mainland and was thought to have powerful friends.

Mr Yu has also resigned from the board of South Sea Development, a property development and investment company, in which he has a 36 per cent interest.

He stepped down earlier this week from a non-executive directorship at Tristate, a garment manufacturer.

## Matsushita fights for leading role

Alice Rawsthorn and Michio Nakamoto on MCA's quest for control

When Mr Yoichi Morishita, president of Matsushita, flew across the Pacific on Tuesday, the distance between Osaka, where his company is based, and his Californian destination, must have seemed greater than ever.

The head of the Japanese consumer electronics group made a hastily arranged trip to San Francisco to find out why the men who run MCA, its US entertainment subsidiary, had suddenly - and very publicly - demanded independence from their Japanese owner.

The latest drama in Matsushita's four years as MCA's parent provides a stark illustration of the difficulties that a conservative company, which values consensus and long-term thinking, faces in running a business like MCA, steeped in Hollywood's entrepreneurial and egotistical culture. It also highlights the problems of MCA's executives in adapting to life under a very different corporate regime.

It can be no consolation to Mr Morishita that the current crisis was widely predicted when Matsushita bought MCA, which includes Geffen Records and Universal Pictures, for \$1.1bn in late 1989, shortly after Sony's acquisitions of Columbia Pictures and CBS Records.

One investment banker commented that the Japanese have "no idea of the difficulty of managing Hollywood companies with their *prima donna* culture of limousines and private jets".

Hollywood has for months been buzzing with rumours of rifts between MCA and its parent. Yet Matsushita executives were clearly flabbergasted by last week's reports that Mr Morishita, MCA's chairman, and Mr Sidney Sheinberg, its president, were considering a bid to buy back control of their business.

Matsushita, to an even greater degree than most Japanese companies, likes to deal with its problems discreetly. Any sign of weakness from



Lew Wasserman: has offered to leave MCA next year

senior management in the face of pressure from a US subsidiary would have been perceived as loss of face.

MCA is also a critical component of Matsushita's long-term strategy in the communications sphere. Without control of MCA's vast libraries of movies and music - which include *Jurassic Park* and *The Flintstones* and chart-topping albums from Nirvana and Aerosmith - Matsushita would be relegated to the role of a low-margin hardware manufacturer.

Unsurprisingly, Mr Morishita said "no" when Mr Sheinberg asked him to cede managerial control of MCA.

"What else could he have done?" asked Mr Christopher Dixon, entertainment industry analyst at PaineWebber in New York. "There's no question that Matsushita is taking a long-term view of its investment. It's got to stick with MCA."

The two companies are now plotting their next moves in a high-stakes game. The critical question is whether Mr Sheinberg and Mr Sheinberg will stay at MCA, where they have worked together for 22 years as the longest-running management team in Hollywood.

Both men could easily afford to quit, having made substantial sums by selling MCA shares to Matsushita. Mr Wasserman, 51, has already offered to go next year. Mr Sheinberg, 59, may follow when his contract ends in 1995. He, like his boss, has become increasingly dissatisfied with Matsushita's refusal to back MCA's expansion plans.

T hey had hoped their wealthy Japanese parent would finance an entertainment group with Mr Sheinberg and Mr Jeffrey Katzenberg, former head of Walt Disney's movie studio.

Their departure would deprive MCA of two of its most prolific - and profitable - talents at a time when it desperately needs successful new concepts.

"No-one is ever irreplaceable," said one analyst. "But those two will be very tough acts to follow."

Mr Sheinberg is an old friend of Mr Sheinberg. The latter had hoped the new group might be persuaded to join forces with MCA if he and Mr Wasserman could persuade the Japanese to cede control.

Instead, Matsushita's refusal has left MCA in turmoil.

## US defence groups lift operating results

By Tony Jackson in New York

Third-quarter figures from four leading US defence groups showed generally higher margins on static or falling sales. Two of the companies, McDonnell Douglas and Northrop Grumman, reported increased military aircraft sales but downturns at their missile operations.

GM Hughes Electronics, the separately-quoted defence and electronics subsidiary of General Motors, said its defence profits at the operating level were up 31 per cent at \$168m on sales down 8 per cent at \$1.36bn.

It attributed the fall in sales to reduced production on various projects, including ground radar and Trident missile components, plus termination of the Advanced Cruise Missile programme and the Follow-On Early Warning System.

Operating margins rose from 8.8 per cent to 12.4 per cent as a result of cost reductions, Hughes said.

For the group as a whole, earnings were also helped by a 37 per cent rise in auto electronics profits and a 110 per cent profit rise in the telecommunications and space division, offset by a \$52m loss caused mainly by technical problems with the Hughes-Avcom in-flight entertainment system.

Net earnings were 61 cents a share against 56 cents.

McDonnell Douglas said underlying earnings were up 39 per cent at a record \$140m, on sales up only 1 per cent. Operating profit on military aircraft was also a record at \$182m, up 27 per cent, on sales up 8 per cent. Profits on commercial aircraft, however, were down 27 per cent at \$8m. Profits in the missiles, space and electronic systems division were down 51 per cent on a comparable basis at \$56m, on sales down 34 per cent.

Northrop Grumman said sales for the quarter were up 38 per cent to \$1.93bn, or down 6 per cent excluding acquisitions. Operating profits from aircraft were up 44 per cent at \$121m, while profits in electronics and systems integration were up 167 per cent at \$40m.

Losses in missiles deepened to \$20m from \$11m, largely due to increased development costs on the TSSAM missile.

Net income for the group was up 50 per cent at \$39m.

General Dynamics, the nuclear submarine and armoured vehicle maker, reported a 4 per cent underlying rise in net earnings, to \$64m. Sales were down 8 per cent to \$714m, and operating margins rose from 8.2 per cent to 10.8 per cent.

## SA gold mines improve 14%

By Mark Suzman  
in Johannesburg

Gold mines in the Anglo American group, the world's largest gold producer, announced a 14 per cent increase in earnings to \$208.1m (\$52.2m) for the September quarter, up from \$182.1m in June.

The improvement resulted from a higher gold price as average revenue for the quarter rose 2 per cent to \$44.406 a kg from \$43.462 a kg, and

improved overall production, which increased 5 per cent to 60,331 kg from 57,683 kg.

This helped offset a 1 per cent increase in working costs, which rose to \$34.139 a kg from \$33.923 a kg, largely due to higher wages.

Freegold mine, the group's flagship, turned in a particularly good performance, lifting production to 25,614 kg from 23,882 kg and raising its profits to \$98.7m from \$47.7m.

Western Deep raised output to 10,121 kg from 9,309 kg,

while Vaal Reef lifted production to 17,861 kg from 16,898 kg. However, Blandrand was hit by industrial action and gold output fell to 3,803 kg from 4,183 kg, with profits dropped to \$17.1m from \$17.8m.

Mr Clem Sunter, chairman of Anglo American's gold and uranium division, said he was satisfied with the quarter's results and said the gold price would breach \$400 an ounce during the current quarter on the strength of increased demand for gold jewellery.

## Thai media group plans flotation

By Victor Mallet  
in Bangkok

Grammy Entertainment, the Thai television, radio and music production company credited with establishing the Thai popular music industry, has applied for a public flotation. It will be the first entertainment company listed on the fast-growing Stock Exchange of Thailand.

Grammy executives expect a quarter of the company's 400m shares to be sold to the public at the initial public offering. Net profit this year is estimated at about \$125m (\$10m) on turnover of \$17.7m.

Mr Palboon Damrongchaitam, the founder and executive chairman who owns 72 per cent of the shares, said Grammy needed capital to expand operations in Asia. "Globalisation is starting," he said. "If I want to join in, we must have some money to join the business."

He said Grammy needed the money to invest in its retail network for the marketing of its Thai music catalogue; to participate in a satellite television channel and other joint ventures; to pay for new studios and equipment; and to convert Thai songs into Chinese for big markets in China, Hong Kong and Taiwan.

Grammy, established in 1983, has become Thailand's leading producer of television soap operas, game shows and music programmes - it makes 25 programmes a week for the main television stations - as well as the production company of choice for Thai pop stars.

## Demand for Windows boosts Microsoft

By Louise Kehoe  
in San Francisco

Microsoft, the world's largest computer software company, reported a 27 per cent increase in revenues for its first fiscal quarter, with net earnings up 32 per cent. Earnings were at the high end of Wall Street estimates.

Driven by strong demand for its Windows personal computer operating system software and office applications programs, Microsoft has continued to outpace all of its competitors in the PC software market.

Revenues rose to \$1.25bn from \$983m in the first quarter of 1993. Net income increased to \$316m from \$238m, while earnings per share were 51 cents, against 39 cents in the first quarter of fiscal 1993. Per share earnings were restated to reflect a two-for-one stock split in May 1994.

"This was another solid quarter for the company," said Mr Mike Brown, Microsoft chief financial officer. "These results reflect the ongoing success of Windows as well as the continuing growth of our desktop applications revenues led by Microsoft Office."

North American sales represented 84 per cent of revenues, up from 83 per cent, while European sales declined as a percentage of total revenues to 23 per cent from 28 per cent in the same period last year, reflecting slower growth in the European PC market.

Sales of applications programs represented 60 per cent of worldwide revenues. Analysis said Microsoft, which dominates the markets for PC operating systems and office applications, is now also moving ahead of competitors in the PC database and word processing sectors, where it is

winning market share from Borland and WordPerfect.

Microsoft also introduced several new programs for home computer users during the first quarter as part of a drive to expand significantly its consumer marketing efforts.

Last week, Microsoft said that it intends to acquire Intuit, a leading publisher of personal finance, tax preparation and small business accounting software, for about \$1.5bn in stock. The deal will give Microsoft access to the emerging market for on-line financial services, such as electronic bill paying.

## US drugs groups show strong rises in sales

By Richard Waters  
in New York

Pfizer and Schering-Plough, two of the fastest-growing drug groups in the US, shook off the pricing pressures in their home market with strong volume gains during the third quarter.

Schering-Plough reported a 19 per cent jump in US prescription drug sales compared with a year before, driven by Claritin, an antihistamine, which achieved sales of \$85m, and Proventil, an asthma therapy. Pfizer's US sales were up 16 per cent.

However, the two companies' overseas experience differed markedly. Schering-Plough's non-US sales rose 1 per cent, but

would have fallen 2 per cent had it not been for foreign exchange differences.

It blamed the fall on lower sales in Japan of Introlin (A), an anti-viral and anti-cancer agent, which reflects action by the Japanese authorities to control healthcare costs.

Pfizer said its overseas sales grew 14 per cent. Its fastest growing product overall was Norvasc, a cardiovascular drug, sales of which jumped 94 per cent to \$210m. Pfizer reported third-quarter net income of \$336.6m, or \$1.09 a share, on sales up 11 per cent overall at \$2.1bn. This represented an 8 per cent increase on net earnings of a year ago, before one-off charges.

Schering-Plough's net income rose 12 per cent, to \$224m, on sales up 6 per cent

at \$1.1bn. Earnings per share in the latest period were \$1.17.

Bristol-Myers Squibb, meanwhile, reported a year-on-year sales increase of only 2 per cent. It also warned that it may take an additional "material" charge against earnings to cover the cost of settling product liability claims relating to breast implants it manufactured.

Bristol-Myers Squibb's net income rose 2 per cent to \$801m, on sales up 3 per cent at \$2.9bn, while earnings per share were \$1.22. Pre-tax profits in the period were 6 per cent higher, but the after-tax result was held back by a higher tax charge resulting from the phasing out of US tax relief for Puerto Rico manufacturing operations.

## Solid advances at GM divisions

Revenues at EDS, the computer services subsidiary of General Motors, climbed 23 per cent in its third quarter from a year ago, to \$2.56bn, writes Richard Waters.

Mr Les Alberthal, chairman and chief executive, attributed the advance in sales to strong growth in Europe and Asia. The gross margin improved a 13 per cent increase in after-tax profits to \$216.4m.

GM Acceptance Corporation, the financial services arm, reported after-tax profits of \$245m, up from \$205m.

## Knocking at the door of corporate mainland China

Taiwan's Evergreen group is preparing for the normalisation of trading links, writes Laura Tyson

Mr Chang Yung-fa, chairman of Taiwan's Evergreen group, is keen to expand his shipping, airline and hotel businesses into China. But Taipei's continued ban on direct transportation across the Taiwan Strait is blocking his path.

The former sailor founded what is now one of the world's highest container shipping lines with a tramp steamer in 1968. In 1991, he established Taiwan's first private international airline.

Frustrated at being frozen out of China's fast-growing market, he is pressing the government to resume direct sea and air links, cut in 1949 following the Nationalist defeat in China's civil war.

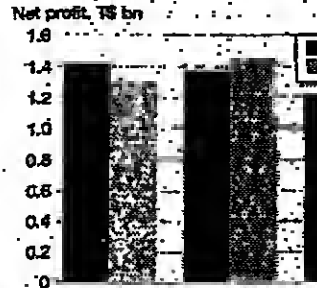
"The mainland market should be a Chinese market," he says. "If we keep going on like this, how can Taiwan's shipping industry survive? And how will Taiwan's economy continue to develop?"

Mr Chang's blue-chip flagship, Evergreen Marine (EMC), is popular among foreign insti-

tutional investors. However, foreign ownership restrictions held back EMC's expansion into China in preparation for direct links. Only a small fraction of the group's ocean freight currently originates in China.

In May, the closely-held group announced plans to invest up to US\$50m in China for development of port, terminal and transport systems. Evergreen Marine has earmarked \$50m for China invest-

## Evergreen Marine



Source: Evergreen Marine

ments, while listed shipper Unglory Marine Corp, 37 per cent-owned by EMC, will invest up to \$30m.

The group's first project is to build an inland container terminal near Shanghai. EMC will invest US\$20m in the project, while Unglory is considering terminal development projects in the ports of Xiamen, Tianjin and Qingdao.

Evergreen is also looking at a joint project with US-based General Electric to build a con-

tainer terminal at Zhangjia harbour near Shanghai.

EVA Airways Corp, an important component in the group's diversification strategy, is poised to become highly profitable once direct flights to China are permitted, analysts say. But for the moment, the airline remains a drain on group finances and is unlikely to become profitable before 1995.

Since China's open-door and economic reform policies began to bear fruit in the early 1980s, growing cross-strait trade has been routed through Hong Kong or other locations. Once direct shipping is allowed, Unglory will serve as "feeder" routes as China's harbours are too shallow for larger ships, while EMC will ply the long-haul lanes.

To accommodate expected increased business, EMC in June placed orders for its first five U-type (post-panamax, or too wide for the Panama Canal) container ships for trans-Pacific routes. Also on order are five more R-type

(panamax) vessels. The group's fleet currently has 75 container vessels. This will rise to 85 in two to three years.

EVA is expanding its fleet aggressively and expects to have 25 aircraft by the end of 1995 from 12 at the beginning of this year. Owned 26.5 per cent by EMC, EVA saw a rise in passengers following government-owned flagship carrier China Airlines' tragedy at Japan's Nagoya airport in April, in which at least 260 people died.

EVA has so far secured rights to fly to nearly 30 destinations and is especially keen to gain access to the "golden" Hong Kong-Taiwan route, now dominated by CAL and Hong Kong-based Cathay Pacific. The airline is expected to go public once it makes a profit.

Aviation is one of the industries in China in which the Taiwanese government bans its citizens from investing, but EVA is believed to be quietly preparing for direct flights to the big Chinese cities.

| Payment of the redemption price will be made against surrender of the Bonds in the manner provided in the Conditions of the Bonds at any of the following Paying Agents |  |
|---|--|
| The Bank of Tokyo-Mitsubishi Company<br>100 Broadway<br>New York, NY 10005  | The Industrial Bank of Japan Trust Company<br>One State Street<br>New York, NY 10004                   |
| The Bank of Tokyo, Ltd.<br>4-8 rue Saint-Amand<br>75001 Paris   | The Industrial Bank of Japan, Limited<br>Bankers House, One Friday Street<br>London EC4A 3DF           |
| The Bank of Tokyo, Ltd.<br>Avenue de la Gare 58 BTE 1,<br>B-1040 Brussels   | The Industrial Bank of Japan (Luxembourg) S.A.<br>6, rue Jean Monnet, P.O. Box 68<br>L-2010 Luxembourg |
| Bank of Tokyo (Switzerland) Ltd.<br>Bahnhofstrasse 1,<br>8001 Zurich  | Industriebank von Japan (Deutschland) A.G.<br>Niedstrasse 15-19,<br>6000 Frankfurt/Main                |

All Bonds to be redeemed should be presented for payment together with all coupons accruing thereon maturing on or after 22nd November 1994 (the "Redemption Date") to any of the Paying Agents named above. The amount of any missing uncoupons will be deducted from the sum due for payment and will be payable as provided in the Conditions of the Bonds. Interest on the Bonds to be redeemed will cease to accrue from 22nd November 1994. The coupon for 22nd November 1994 should be detached and surrendered for payment in the usual manner.

Payment pursuant to the presentation of Bonds for redemption within New York, New York, or other payment made within the United States, including a payment made by transfer to a United States dollar account maintained by the payee with a bank in the United States, may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 31% of the gross proceeds if a payee fails to provide the paying agent with an executed IRS Form W-9 in the case of a non-US person or an executed IRS Form W-9 in the case of a US person. Those holders who are required to provide their correct taxpayer identification number and who fail to do so may also be subject to an IRS penalty of US\$500. Accordingly, please provide all appropriate certification when presenting the Bonds for payment.

THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY  
as Fiscal Agent  
Dated: October 21, 1994



# Investors shrug off changes in Brazilian rules

|    |     |     |       |   |     |      |     |      |        |
|----|-----|-----|-------|---|-----|------|-----|------|--------|
| 90 | 95% | +8  | 10.61 | Tesco Capital 0.05%                             | 200 | 2.51 | 75% | 114% | \$2181 |
| 90 | 95% | +8  | 10.61 | Tesco Insurance 2-4                             | 200 | 3.60 |     |      | \$1129 |
| 90 | 95% | +8  | 10.61 | * All information subject to London day's price |     |      | 94  | 90   |        |
| 90 | 94% | 94% | 9.53  | * Only one master market supplied at price      |     |      |     |      |        |

any units. Price-Charge on call.

Short-term three days-ahead offered rate (three-month) (below mean rate) for US dollar. Capex-The current per share expressed in currency of stock at conversion rate fixed at issue. Perm-Forecasted premium of the current. Data supplied by International Securities Market Association.



## COMPANY NEWS: UK

## Amstrad incurs larger than expected £20m loss

By Paul Taylor

Amstrad yesterday announced larger than expected annual pre-tax losses of £19.9m, blaming stock write-downs, rationalisation costs and operating losses in its mature consumer electronics business.

Commenting on the results, Mr Alan Sugar, chairman, said market conditions throughout Europe in the consumer electronics industry "remain depressed", resulting in margin pressure and reduced sales.

The loss for the 12 months to June 30 - Amstrad's third consecutive annual deficit - was struck after exceptional stock write-downs of £5.5m and further European rationalisation costs of £4m mainly to cover redundancies.

Analysts had been expecting losses of up to £5m and the shares were marked sharply lower in the immediate wake of the announcement.

However, they subsequently recovered to close down 15p at 254p after Mr Sugar and Mr David Rogers, the new chief executive, outlined a new strategy for the group which will be divided into a number of "autonomous" business

units reporting to Mr Rogers.

Under Amstrad's new strategy, the traditional consumer electronics business, dubbed Amstrad Consumer Electronics, will become one of the new units. Ace is expected to be subdivided into two businesses, a low margin/high volume trading company which will continue to sell mature consumer electronics products, and a development company charged with spotting market opportunities and designing new products.

Other business units will include Danell Radio, the cordless and cellular telephone manufacturer acquired in September, Vigen, the direct sales personal computer manufacturer which was purchased for about £60m in June, and Beta.com, the publicly quoted telephone equipment group in which Amstrad has a 66 per cent stake.

Mr Sugar said these investments and an ink-jet printer joint venture with IBM, Jarfalla in Sweden "leave me in a confident frame of mind that the company will turn the corner during the current financial year".

Sales fell almost 30 per cent

to £217.1m (£208.5m) as Amstrad reduced its activities in those consumer electronics product areas, "where it was impossible to obtain even a modest margin".

In the previous year, it incurred pre-tax losses of £20.5m after £33.5m reorganisation costs, including goodwill write-offs on its Spanish operations.

At the operating level, the group reported a £15.5m loss in the latest period after a £18.4m contribution from acquisitions, compared to a £15m profit the previous year. Mr Sugar blamed the depressed state of the market and the high level of overheads carried by the consumer electronics business.

The losses were partly offset by net interest receipts of £7.14m (£7.21m). The cash pile fell from £167.1m to £137.7m, reflecting part-payment for Vigen.

Losses per share narrowed to 3.2p (4p) and an unchanged final dividend of 0.3p is recommended, making an unchanged total of 0.5p.

Amstrad, in which Mr Sugar retains a 36 per cent stake, also announced a proposed 1-for-5 share consolidation.

## Call for inquiry into Aero Hamble float

By David Blackwell

A Labour MP will be writing to Mr Michael Heseltine, the trade and industry secretary, this weekend calling for a DTI inquiry into the flotation of Aerostructures Hamble, the Southampton aircraft components maker.

Mr John Denham, MP for Southampton Itchen, has already tabled a Commons motion seeking an inquiry "to establish if any relevant information which could have been disclosed in the prospectus was withheld and, if so, by whom and to whose benefit".

Aerostructures was floated at 120p a share in June. Last week it issued a second profits warning following production difficulties, and the shares fell to 24p. Yesterday the shares were 31p, off 4p.

The company is now seeking a new chief executive to replace Mr Andy Barr, who accepted early retirement without compensation last week. Mr Barr made £1.75m from the flotation.

Yesterday the management and representatives of NM Rothschild, the company's advisers, were in Scotland, continuing this week's round of talks with shareholders who have watched the value of their investment fall by 80 per cent in just five months.

Mr Denham said yesterday that he was concerned about the future of the company as many of its workers lived in his constituency. Aerostructures is sited in the neighbouring Eastleigh constituency.

Mr David Chidgey, the Liberal Democrat who won the Eastleigh by-election, said yesterday he "believed it was unconventional" that Mr Denham had not approached him before tabling the motion on Aerostructures.

Mr Chidgey, who once worked for Folland - a predecessor company of Aerostructures, is due to meet the management next week. He said he had spoken to the management and Rothschild in Scotland yesterday, and had been delighted by their positive assurances and commitment to putting together a programme for 1995.

## Correction Hanson/Booker

Hanson will reimburse Booker for losses over £8.5m on the sale of Marine Harvest International's shrimp business, and not vice versa as reported in yesterday's edition.

## Lower seafood profits and lettuce prices make disappointing cocktail

## A Fisher's £35m masks setback

By David Blackwell

Disappointing results in the European seafood and North American produce divisions were behind a fall in annual operating profits from continuing activities at Albert Fisher from £41.7m to £33.7m.

The food processing and distribution group blamed sharply lower produce prices for the setback in North America, where profits almost halved.

It cited as an example the average price for a case of iceberg lettuce at \$5.20, compared with \$8.05 a year earlier.

The fall in European seafood profits reflected intense competition in the mussels market, combined with a sharp rise in prawn prices and difficulty in sourcing white fish.

Mr Stephen Walls, chairman, said it had not been an easy year. "We may be disappointed - but we are certainly not gloomy about the prospects of the group."

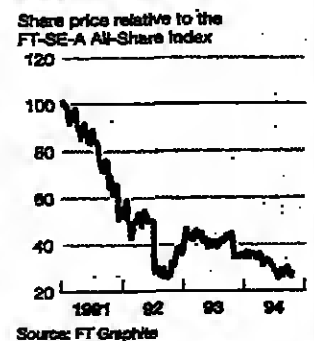
Pre-tax profits for the year to August 31 rose from £26.5m to £24.5m.

The latest figure included an exceptional gain of £600,000 and a £3.6m contribution from discontinued operations, compared with a previous exceptional charge of £15.4m and £7.5m input from discontinued operations.

Sales improved to £1.42bn (£1.28bn), including £51.5m (£122.1m) from discontinued operations.

The shares fell 3p to 44p yesterday - still below the 55m

Albert Fisher



Source: FT Graphix



Stephen Walls: disappointed - but certainly not gloomy

rights issue offer of 52p in May. North American operating profits tumbled to £5.4m (£11.6m) on sales up from £380m to £485m. The group said the intense price competition for produce, following excess supplies, had cost it £7m (£4.32m).

Fresh Western, the Californian fresh produce supplier acquired at the beginning of the year, suffered an operating loss of £2m, although the group said the export side had fared better than expected with \$50m worth of sales.

In Europe, operating profits improved by £2.2m to £32.2m, and sales increased from £202m to £281m.

Profits in the seafood sector, which the group has targeted for growth, fell from £10m to £3.1m. Sales grew by £4m to £165m, including a £50m contribution from Bahbek, the Danish-based seafood company bought for £55m after

the rights issue.

The fresh produce sector increased profits from £5.4m to £10.7m, reflecting better prices, particularly for citrus fruit and onions. Food processing profits were flat at £13.5m.

Net debt at the year-end was £38.5m (£34.5m). But gearing is expected to fall to below 30 per cent following the recent £37.1m disposal of parts of Stratford-upon-Avon Foods and Rowlands Foods to Campbell Grocery Products, a subsidiary of the US food group.

Earnings per share were 3.34p (2.43p).

The proposed final dividend is maintained at 1.5p, taking the total for the year to 3.71p (3.75p).

● COMMENT This company is under pres-

sure to maintain its dividend and high yield, which is about the only thing it has to offer after these disappointing results. Fortunately the balance sheet remains strong, although the rights issue could be seen as robbing Peter to pay Paul. There is no denying that the group has radically changed shape over the past couple of years - the question is whether the prospects have improved as much as the management claims, or whether it will remain vulnerable to commodity price swings. If the seafood division delivers the expected growth, profits this year could be about £40m, giving a low looking prospective multiple of 11. The main support will continue to be the 10 per cent yield, assuming an unchanged dividend.

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VideoLogic designs silicon chips and circuit boards which confer multimedia capabilities on conventional personal computers. Sales growth has been due primarily to a mass market product - 328Movie - which improves operating system performance, as well as adding multimedia.

The company is still in the development phase, however, with a high requirement for cash for research and development and marketing. The demerger from Avesco was a consequence of this requirement.

man, said the announcement was not a profits warning. When the company was floated, it had agreed to provide its shareholders with progress reports at regular intervals, as well as half yearly figures.

He and fellow directors were yesterday giving investors and analysts a series of presentations on the state of the company and its future.

VideoLogic estimated sales for the first half at about £5.5m, some 20 per cent ahead of last year. Price cutting by personal computer manufacturers was affecting margins and reducing profitability.

The company said its cost base was under continuous review, with an emphasis on cutting product costs and

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## Upton & Southern sues Reject directors

Neil Buckley reports on proposals to save the stores business from collapse

Upton & Southern Holdings, the stores group, is launching a £5.5m share placing and open offer to rescue its business, and is suing five former directors of the Reject Shop, the home furnishings retailer it acquired in February.

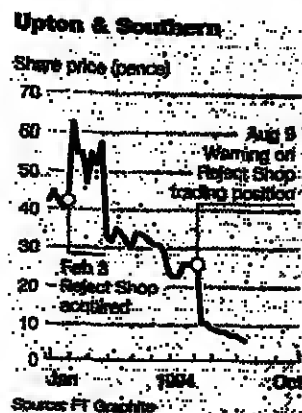
Upton warned that Reject Shop would have to cease trading without the new funds, leading to withdrawal of support from Upton's bankers and the collapse of the business.

Upton acquired Reject Shop in a £2.5m all-paper offer in February. In August it said that its financial and trading position had turned out to be worse than represented at the time of the deal, resulting in a £2.7m cash shortage.

Mr Jeffrey Gould, Upton's chief executive, said he was confident the placing and offer, which is fully underwritten, would provide enough funds to turn the chain round.

"We wanted to raise sufficient to give the company absolute security, but not more than we needed," he said. "There is now light at the end of the tunnel - hopefully quite a bright light."

Middlebrough-based Upton raised £4.5m in a rights issue in March, largely to reduce debt and provide working capital for the Reject Shop. However, it later discovered lower levels of stock in Reject Shop



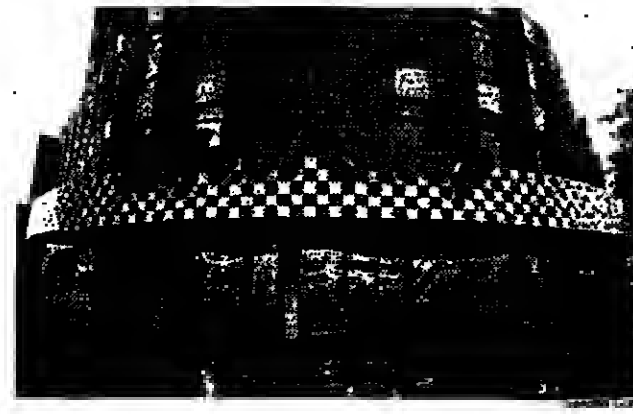
Upton & Southern  
Share price (pence)  
Source: FT Computations

than expected, which hit sales in May and June and forced the group to acquire more stock.

When talks with an unnamed overseas investor over taking a stake fell through, Mr Gould said Upton had been forced to make its August statement.

It has since taken legal advice and yesterday issued writs for damages against five former Reject Shop directors.

Writs were issued for breach of fiduciary duty to Reject Shop, breach of warranty and misrepresentation against former co-chairman Mr Anthony Hawser and Ms Anna Vinton, former managing director Mr Geoffrey Frost, who is additionally being sued for



Upton & Southern  
Share price (pence)  
Source: FT Computations

fraudulent misrepresentation. Writs were also issued against former non-executive directors Mr David Barker and Mr Clive Stanger, for breach of fiduciary duty and for misrepresentation.

The former directors said they would vigorously contest the actions, which Mr Hawser said in a statement were without foundation.

Mr Hawser added that Upton had been given full access to Reject Shop's systems and accounts for three months before the acquisition. He said Upton's cashflow problem had been caused not by shortage of stock but by "the abandonment of the Reject Shop's well established policy of offering obvious value for money".

Both Mr Hawser and Ms Vinton are suing Upton's board for libel over its comments in August.

The magnitude of Mr Gould's task was highlighted by results announced yesterday for the 18 months to July 31, Upton's new year end, showing a pre-tax loss of £4m on turnover of £18.1m, which included £685,000 from discontinued activities and £5.95m from acquisitions.

In the previous 12 months losses were £235,000 on turnover of £10.7m, including £2.7m from discontinued activities.

Losses per share were 20.7p (4.12p). There is again no dividend. Upton plans a placing and

open offer by Messrs Pearson and Townsley and Company of 120.3m shares at 5p each, representing about 72 per cent of the enlarged share capital of the company. The shares lost 1p to 5.4p.

Some 30m shares have been placed firm with a new institutional investor, with the balance subject to the open offer on a 49-for-20 basis.

The company said it had chosen this route rather than a rights issue, as originally planned, in order to accommodate the unnamed new investor, which had demanded 25 per cent of the new shares.

Mr Gould said about £2m of the proceeds would be used to obtain stock, and the rest for working capital and store improvement.

He added that after improving product range and buying and strengthening management, current trading in Reject Shop was encouraging, with sales in the first 10 weeks of the financial year substantially ahead.

By refurbishing stores and offering "reasonable quality products at very good prices" to a target audience ranging from "students to 30- to 40-year-olds" Mr Gould is banking on Reject Shop increasing sales at a faster rate than the rest of the retail sector.

## Anagen sees first orders for AuraFlex

By Tim Bur

Anagen, the loss-making diagnostic equipment company, yesterday predicted that sales should start to outweigh its development costs by 1996.

Although pre-tax losses rose from £1.78m to £1.55m in the six months to June 30, the company said it expected next year to win its first orders for AuraFlex, its automated immunoassay system that detects infertility and thyroid deficiency in blood samples.

Turnover, however, fell from £1.27m to £483,000 as there were no first half marketing payments from Organon Teknika, the Azko Nobel subsidiary which will manufacture and distribute the system.

Mr Mervyn Sennett, chief executive, blamed the shortfall for increased operating losses of £2.11m (£1.24m).

Organon Teknika is expected to pay Anagen a further £1m in the next 12 months, but Mr Sennett said it was impossible to predict exactly when hospitals using the system on trial would place firm orders.

"Our fortunes very much depend on AuraFlex," he added.

The company, which raised £14.9m from its flotation last year, has invested more than £20m on the system since 1989 and now has about £5m cash left.

"We've been burning cash to meet development costs but we do not expect to require more funds," said Mr Sennett. "Our reserves will see us through to positive cashflow."

Losses per share fell from 6.7p to 4.3p, reflecting last year's placing at 100p. The shares, which fell sharply in July but recovered slightly last week, fell 4p to 59p.

## OFT clears Healthcare on competition

Healthcall Group, the UK's largest provider of out-of-hours doctors, has been exonerated by the Office of Fair Trading over claims of anti-competitive practices.

In July, the OFT announced that it would make "some preliminary enquiries" into charges regarding Healthcall's relationship with the British Medical Association and its treatment of potential competitors.

Sir Bryan Carsberg, the director general of fair trading, said that the OFT/Healthcall agreement with respect to doctors' deputising services did not fall within the provisions of the Restrictive Trade Practices Act. However, after considering whether it had effects on competition which might merit investigation under the Fair Trading Act, Sir Bryan said he was satisfied "the agreement is not operating in a way which significantly influences competition in this market."

## US input helps lift Ferguson 15% to £6m

By Peter Pearce

Growth in all three divisions enabled Ferguson International Holdings, the labels, hangers and communications components group, to report a 15 per cent profit increase in the six months to August 31.

The shares rose 23p to 331p. Pre-tax profits advanced to £6.01m (£5.24m) on turnover ahead 23 per cent to £20.5m (£18.6m). The figures benefited from the first full contribution from Red Wing, the US hangers business bought in September 1993 for £11.5m (£7.1m).

Since the period-end, Ferguson has bought Elswick, a rival UK labels supplier, for £37m in cash and shares.

Mr Denis Cassidy, chairman, said that before the acquisition, Ferguson was number one in textiles labels, with Elswick that position was more firmly established and the group was now also number one in mod labels.

Since his arrival in 1990, Mr Cassidy has - via disposals - shifted Ferguson from a conglomerate to a group with three core activities.

He said yesterday that in the first half, the US businesses had fared well, those in the UK had maintained profitability.

but trading conditions in continental Europe remained "extremely difficult".

The UK's contribution to operating profit fell to 55 (59) per cent; the US pushed its share to 40 (26) per cent, thanks to Red Wing and a strong contribution from TV components. However, the input from continental Europe declined from 10 to 3 per cent, with profits of £100,000 (£200,000).

By division, labels achieved a "modest" profits rise to £2.44m (£2.45m) on turnover of £36m (£36.8m). Profits from the hangers business grew to £1.57m (£1.51m) on turnover sharply up at £25.4m (£16.6m), mostly as a result of Red Wing.

Communications components contributed £1.45m (£1.02m) on turnover ahead at £19.1m (£13.1m). The stronger US economy had encouraged the expansion and upgrading of cable networks.

Interest charges rose to £446,000 (£357,000) because of the Red Wing buy. Gearing was 23 per cent (14 per cent), but will rise to about 75 per cent in the short term after the Elswick buy.

Earnings rose to 11.9p (10.4p) and the interim dividend is lifted 8 pence to 4.5p (4.25p).

## Chesterfield Props 37% lower at £4.9m

By Christopher Price

Chesterfield Properties reported a 37 per cent fall in first-half pre-tax profits to £4.9m, compared with £7.6m which was boosted by £2.3m in property disposals. Profits from continuing operations were ahead 11 per cent.

Mr David Kiernan, finance director, said that the group's retail market which had underperformed a recovery in rental values. However, office rents remained under pressure. About two thirds of revenue comes from retail operations and Mr Kiernan added: "We are looking to increase our retail portfolio to take advantage of the upturn."

Developments under way would show their benefit to the bottom line "within the next two years," according to Mr

Kiernan. However, the immediate outlook was "fairly quiet", he added. Refurbishments were progressing on shopping centres in Hull and Rugby. An office block in Victoria was also due to receive similar treatment.

Rental income showed a 13 per cent rise to £5.21m (£4.62m). However, income from the group's theatres - including seven in London's West End - and cinemas declined sharply, increasing losses from £184,000 to £361,000. Mr Kiernan blamed a combination of factors for the deterioration, including the rail strike, new parking restrictions and a lack of consumer confidence.

Group turnover also showed a fall, slipping 5 per cent to £16.5m (£17.3m). Earnings per share fell from 20.5p to 11.9p. The interim dividend is raised to 4.4p (4p).

## Ticketing downturn to near break-even

Ticketing Group, which provides ticket sales, event management services and computerised ticketing systems, reported a sharp fall in pre-tax profits from £337,000 to £32,000 in the first half of 1994.

Turnover rose from £20.9m to £27.3m. The company said trading had fluctuated widely in the period with record highs in

February and March to very low levels in May and June.

The USM-quoted company had operated as a joint venture between Expedier and Wembley and was only constituted in its present form in February 1993 when its refinancing and reorganisation was completed.

Wembley sold its 7.2 per cent stake earlier this year. Earnings per share were 0.004p (0.04p).

## Mixed showing at Price Waterhouse

By Jim Kelly

Price Waterhouse, the chartered accountants and business advisory firm, yesterday announced fee income for the year to June of £384m, against £383.5m last time.

Fees from audit and business advisory services rose 6 per cent to £146.1m - representing 38 per cent of the entire income for 1993-94.

Income from corporate finance and recovery dropped by 11 per cent to £47.6m and management consultancy dropped by 2 per cent to £81.9m. Income from tax consultancy was unchanged.

Mr Ian Brindle, senior partner, said: "The welcome improvements in the UK economy have generated much needed growth in the audit practice with a particularly strong increase in business advisory services."

"However, this improvement has led to a reduced number of business failures and a consequent reduction in our corporate recovery business offset by an increase in the corporate finance income."

"In overall terms our business lags behind our clients going into recession and similarly lags behind them coming out. On the assumption that the UK economy continues to recover we look forward to some overall growth in the current year."

Fee income from Europe rose 1.8 per cent to £284m. Combined worldwide revenue was £3.58bn (£2.51bn) an increase of 2.3 per cent.

## Lionheart plunges back into the red

By Ian Hamilton Fazey, Northern Correspondent

Lionheart, the paintbrushes, housewares and retail merchandising equipment group, continued its roller-coaster ride through recession and recovery by plunging back into the red with losses of £940,000 for the first half of 1994.

The outcome, struck after exceptional restructuring charges of £680,000, compared with pre-tax profits of £518,000 at the previous tottering stage

and £1.77m for the full 1993 year. The group is passing its dividend (0.1p); it last did so after the 1992 full-year results - a loss of £270,000 - only a year after returning to the dividend list in 1991.

Mr Paul Lever, chief executive, blamed the lack of economic upturn for the performance. Turnover fell 11 per cent to £19.9m (£22.5m), with poor sales in bathroom products and housewares as domestic housing markets continued to languish.

The slow upturn persuaded retailers to defer purchase of retail merchandising systems into the second half, but Lionheart now expects to meet its full-year budget to this sector.

However, direct consumer spending on DIY products and housewares was unlikely to catch up, Mr Lever said. Lionheart, in which Newell, the US paintbrush manufacturer, has a 20 per cent stake, made a trading profit of £123,000 before interest and the exceptional charge. "We have

cut out some marketing functions we cannot afford at the moment and put a brake on product development," Mr Lever said. "Our payroll is now about 750, compared with more than 1,200 four years ago. On the bright side, we have invested more than £7m in plant and machinery over the last three years and expect to see continuing productivity gains in future."

The result had been largely discounted following a profits warning in August.

## NEWS DIGEST

### Airflow well ahead at £915,000

Airflow Streamlines, the vehicle body maker and car and truck dealer, reported pre-tax profits for the six months to August 31 almost doubled at £915,000, against £464,000.

Airflow said demand for cabs had risen significantly and there was a "very satisfactory" result from contract hire. Body engineering sales were lower, but were expected to improve in the second half having secured several large orders.

Turnover advanced 27 per cent from £34.3m to £43.5m. Earnings per share came out at 6.87p (3.94p) and the interim dividend is doubled to 2p.

**Cradley at £1.2m**  
Pre-tax profits at Cradley Group Holdings, the Litho-

graphic printing company, fell 27 per cent from £1.64m to £1.2m in the year to June 30 on sales down 20 per cent to £23.7m, against £29.8m.

The group said the sales reduction resulted from the completion of a large one-off contract. The profits fall included a £290,710 loss on the closure of De Mandus Print.

The dividend for the year is unchanged at 1.15p. Earnings per share were 2.5p (3.3p).

**Davenport Knitwear**  
Davenport Knitwear, the knitted fabrics and garments group, increased pre-tax profits by 41 per cent from £507,000 to £555,000 in the first half of 1994, on reduced turnover of £4.28m, against £4.47m.

Earnings per share came to 33p (23.9p).

**Andrews Sykes**  
The increased offer by Mr Jacques Murray for Andrews Sykes, the industrial services

group of which he is chairman, has been declared unconditional.

European Fire Protection, the private Netherlands-based company owned by Mr Murray, now owns or has received acceptances in respect of 7.4m Sykes ordinary shares (32.12 per cent). EFP also owns 8.33 per cent of the preference shares.

The offer will remain open for acceptances until November 9.

**Nordic placing**  
Nordic Exploration, which has rights to gold and diamond exploration prospects in Finland and Sweden, is raising

£850,000 via the placing of 3.6m new shares - in units of five shares plus a warrant - and has been given permission for the shares to be traded on the Stock Exchange under Rule 42.

Nordic is controlled by European Mining Finance, a Luxembourg-listed company, whose holding will be diluted to 57 per cent by the placing.

end-September 1993. The deferred shares had a value of 281.4p per share at September 30, against 299.4p and 288.8p respectively.

Net revenue for the six month period improved to £292,000 (£265,000) resulting in earnings of 8.1p (8.4p) per preferred and 6.5p (5.5p) per deferred.

**£4m loss at Ferrum**  
Costs associated with its restructuring resulted in increased pre-tax losses of £4.19m at Ferrum Holdings in the first half of 1994.

The engineering group said the figure included £1.81m for costs of closure and other non-recurring items and £636,000 for redundancy and factory closure in continuing businesses.

Turnover from continuing operations rose 28 per cent from £13.4m to £17.2m, including £2m from acquisitions. The previous first half carried a £1.48m loss.

Losses per share came to 33.01p (22.98p).

### Superscape VR

Higher than budgeted sales of software enabled Superscape VR, the virtual reality software company, to report lower than forecast losses of £238,024 for the year to July 31.

At the time of the placing in April the group forecast losses of up to £450,000.

Turnover was £259,192, against £242,018 when the pre-tax loss was £21,450. Losses per share were 8.1p (6.5p). The figures were produced on a pro forma basis.

### Yorklyde up 14%

Yorklyde, the Huddersfield-based clothing manufacturer, reported pre-tax profits up 14 per cent at £1.7m for the six months to July 31, against £1.49m.

The company said the benefits of its investment programme were now being felt and the continuing development of the product range had helped maintain a healthy level of interest.

Turnover was £9.22m (£7.87m) a rise of 17 per cent. Earnings per share were 11.4p (10.2p) and the interim dividend is raised to 2.4p (2.2p).

### Suter disposals

Suter has sold its 12 acre site at Fareham, Hampshire to Legal & General Assurance Society for £5.78m cash, subject to a 25 year leaseback to Suter Environmental.

Suter also announced the disposal of Derland Engineering for a nominal sum. DEL, a non-core business, makes printing and die cutting machinery for use in the box making industry and was acquired as part of the James Wilkes group in May.

**COMVIQ**  
GSM AB  
Sweden

SEK 1,600,000,000  
Project Finance Facility

### Arrangers

WESTLB GROUP  
BAYERISCHE LANDESBANK GIRONZENTRALE  
UNION BANK OF SWITZERLAND  
NORDBANKEN  
Managers  
CREDITANSTALT-BANK/VEREIN  
DEUTSCHE GIRONZENTRALE  
DEUTSCHE KOMMUNALBANK  
KB FINANCIAL SERVICES (IRELAND)  
MEESPIERSON N.V.  
DE NATIONALE INVESTERINGSBANK N.V.  
ING BANK  
LANDESBANK HESSEN-THÜRINGEN GIRONZENTRALE  
SÜDWESTDEUTSCHE LANDESBANK GIRONZENTRALE

Fund Providers under the Guarantee Facility

NORDBANKEN

NORDIC INVESTMENT BANK

### Agent

WESTLB INTERNATIONAL S.A.

### Butte Mining

Butte Mining, the London-listed company, is to receive 400,000 shares in Gem River Corporation, equivalent to 8.5 per cent of the issued capital, as a reward for its work exploring Gem's sapphire property in Montana.

Gem has completed a private placing of 850,000 shares at £2 each to raise about £1.7m (£1.07m) net and intends to seek a listing on a recognised stock exchange. Butte has been given pre-emptive rights to participate in the public offering to be made when the shares are listed.

Butte's employees in Montana will transfer to the Gem River project with a consequent reduction in Butte's costs. Gem will use the money raised to acquire the freehold of a 600-acre property, which is said to have proven and probable reserves of more than 3m carats of sapphires.

### ENI lifts pay-out

English National Investment, which seeks dividend income from a portfolio of UK companies and property, announced increased interim distributions in both classes of its shares - the first rise since 1990.

The payment for preferred ordinary shares is raised from 5p to 5.4p while the dividend on deferred ordinary shares is 2.9p (2.55p). Directors of the trust, part of the Henderson Touche Renmant stable, said they expect to pay at least a maintained final for the year.

Net asset value, however, showed a marginal decline. At September 30, the value per preferred was 356.4p per share, down from 374.4p at the trust's March year-end and 364.8p at

All these securities having been sold, this announcement appears as a matter of record only.

### WPP Group plc

International offering

of

120,524,141 shares

Offer Price 115 pence per share

Global Co-ordinator and Lead Manager  
S.G. Warburg Securities

Bankers Trust International PLC J.P. Morgan Securities Ltd.  
S.G. Warburg Securities



## RECRUITMENT

JOBS: Which universities are the most successful at preparing their students for work?

## Degrees of employment at a glance

Anybody thinking of going to university with the aim of getting a job at the end of it might be interested in the league table published here.

It rates UK universities (those established before all the polytechnics were given the same status) according to the success of their first degree graduates in finding a job after leaving. The table covers those graduates who attended degree courses over the three years from 1990-91 to 1992-93.

The table is compiled from the 1994 edition of University Management Statistics and Performance Indicators in the UK.

One reason for a variation in performance is the difference in subject mix because some subjects may be more useful vocationally than others, some are a prerequisite for certain types of employment - in medicine for example - and some may be simply more attractive to employers.

The compilers attempt to take account of this, calculating the number of graduates unemployed or in short-term employment that

| UNIVERSITY TABLE |        |              |        |
|------------------|--------|--------------|--------|
| University       | % diff | University   | % diff |
| Oxford           | 8.2    | Sheffield    | 1.1    |
| Brunei           | 5.3    | Aberdeen     | 1.1    |
| St Andrews       | 5.3    | Leicester    | 0.8    |
| Durham           | 5.0    | Strathclyde  | 0.5    |
| Nottingham       | 4.2    | Reading      | 0.4    |
| Lancaster        | 4.2    | Newcastle    | 0.3    |
| Queen's Belfast  | 3.8    | Essex        | 0.3    |
| Cambridge        | 3.5    | Heriot-Watt  | -0.1   |
| York             | 3.4    | Sirring      | -0.2   |
| Salford          | 3.4    | Ulster       | -0.2   |
| Hull             | 3.2    | Kent         | -0.3   |
| Surrey           | 2.8    | Bristol      | -0.3   |
| Bath             | 2.2    | Loughborough | -0.4   |
| Dundee           | 2.0    | E.Anglia     | -0.9   |
| Exeter           | 1.8    | Keele        | -0.9   |

would be expected if, in each subject, it conformed to the national distribution.

The actual number of graduates without jobs or in short-term work is subtracted from the predicted figure and then expressed as a rate of excess per 100 graduates. A negative number, therefore, gives a higher than predicted number of unemployed graduates or those in short-term work while a positive

figure reflects fewer unemployed than might be expected.

Regular readers of the column will note that the percentages vary in degree from those published last year. That is because last year's table used a slightly different calculation. The order would be the same, however, with either calculation.

While there are many variables involved in assessing a university,

the league table does appear to be a good indicator of students' employability at the end of the course. As the notes to the research point out, "The First Destination Record remains the principal source of information about graduates' destinations."

One factor in the placings not taken into account by the calculations is the provision of sandwich courses where students get work experience with an employer. This may account, in part at least, for the high placing of Brunel University, for example, which offers a larger proportion of sandwich courses than any other university.

The importance of course choice for job finding is highlighted elsewhere in the statistics. Medical courses have the best record. The worst subject for leaving graduates jobless at the end of the course was forestry, followed by geography, aero engineering and zoology.

The full statistics, price £20, are available from the Universities Statistical Record, PO Box 130, Cheltenham, Gloucestershire GL50 3SE. Tel: (01242 223902.

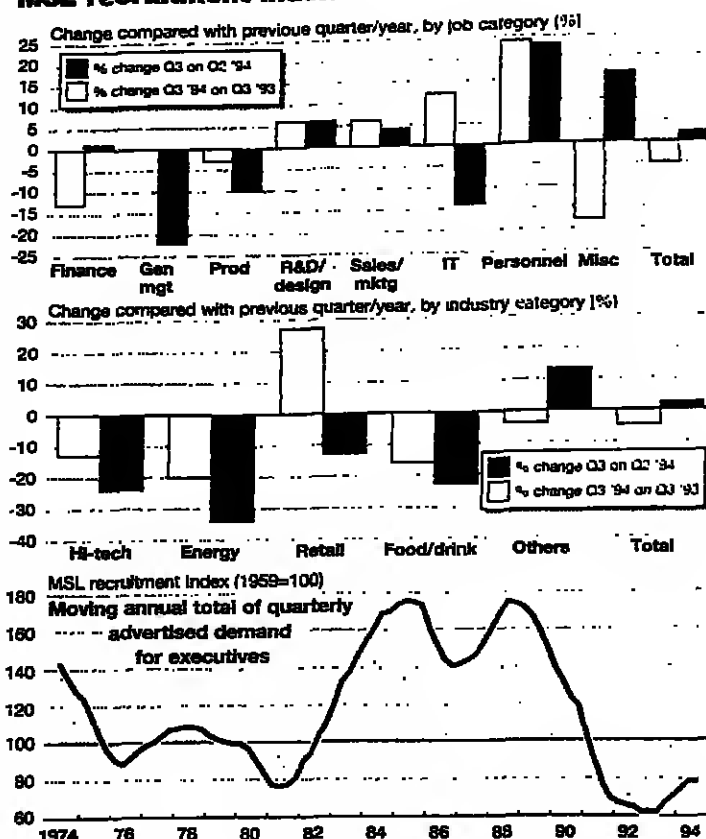
● The index of advertised demand for executives compiled by MSL International, the recruitment consultant, has not increased in the last three months although it is up on last year. Given the weakness of the jobs market during the summer, this may turn out to be just a blip in the rise out of recession.

Individual job categories reveal a marked rise in the recruitment of personnel officers. Ian Lloyd, MSL's managing director, sees this as an optimistic indicator of economic growth. "Many companies have survived in the past two years without expanding. Now they are realising that the human resource function at a strategic level is critical to the future operation of the business, we are seeing recruitment at personnel director level."

The way the index is represented has been changed to conform with Financial Times practice. Our statisticians say that the wiggly line wavering above and below the index line is the best way to show the variation from the trend.

Richard Donkin

## MSL recruitment index



## London STOCK EXCHANGE

## TEAM MANAGER - CAPITAL MARKETS

The London Stock Exchange is both the national stock exchange for the UK and the world's leading market place for the trading of international equities. The Exchange seeks to appoint an experienced professional to manage the Capital Markets team and to help increase the Exchange's share of global bond, depositary receipt and warrant listings. Proficient in management and regulation and with marketing experience, the successful candidate will possess the specialist knowledge and personal attributes necessary to ensure this key institution achieves its objectives in this area.

Interested applicants should possess the following attributes:

- An ability to manage a team providing an efficient service whilst fulfilling its regulatory responsibilities.
- An informed appreciation of the regulatory environment for listing capital markets instruments.
- The maturity and gravitas to represent the Exchange in discussions with international law firms and securities houses, together with regulators including the EU, Treasury and IPMA.
- The marketing skills to help promote the Exchange effectively in a highly specialised and competitive environment.

Candidates demonstrating exceptional ability in closely related disciplines together with strong interpersonal skills will also be considered.

To discuss further in strictest confidence, please contact the Exchange's recruitment consultants, Philip Rowlinson on 071 600 4744 or write to:

Emerging Markets Search & Selection, A Division of Global Markets Recruitment Limited,  
29 Moles Avenue, London EC2V 5EP  
Tel: 071 600 4744 Fax: 071 600 4717

## EMERGING MARKETS SEARCH &amp; SELECTION

## BRAZILIAN EQUITY SALES

Our client, a London-based international securities division of a leading Latin American bank, is seeking an experienced equity specialist to sell Brazilian equities, ADR's warrants and convertibles to international institutional investors.

Ideally, applicants will be graduates with equity experience gained within a major brokerage house and with exposure to Brazilian companies and equity markets. Fluency in both Portuguese and English is essential, as is a strong analytical capacity and the ability to impart research to clients in a lucid and informative fashion.

Candidates demonstrating the appropriate mix of experience, drive and ambition will be rewarded with an attractive compensation package geared to results.

To discuss further in strictest confidence, please contact David Williams on 071 600 4744 or write to:

Emerging Markets Search & Selection, A Division of Global Markets Recruitment Limited,  
29 Moles Avenue, London EC2V 5EP  
Tel: 071 600 4744 Fax: 071 600 4717

## COMPANY DIRECTOR

Sound, practical experience of Physical International Trade. Oil, Petrochemicals, General. Available to work cost-effectively on full or part-time contract assignments with full accountability to deliver measurable profits. Fax: 0494 - 864307

## CHARTERED ACCOUNTANT/ COMPLIANCE FINANCIAL SPECIALIST

Long experience London and international capital markets with professional and investment banking houses and regulatory body, speaking French, Italian, German, excellent contacts. Available for assistance with regulatory problems or financial investigation work. Phone/fax 44 (0) 171 435 4318

## EQUITY/FX SALES/RESEARCH

Derivatives sales 3 yrs experience, French or German. FX Traders with 2-5 yrs practical Market Making, Portfolio skills, Exchange exp. Options theory & Risk Management essential. PhD or 21 Quantitative Analyst with Operating, C, C++

Complete Recruitment Ltd, Africa House, 64-70 Kingsway, London, WC2B 6AH. Tel: 071 531 6600 Fax: 071 531 6622

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## Portfolio Managers Private Clients

BZW Portfolio Management Limited currently manage private client assets in excess of £1.3 billion from prestigious offices in Mayfair. They continue to enjoy rapid growth and have successfully increased private client business by £200 million annually.

Due to this expansion two Portfolio Managers are now sought in order to complement the existing team. As part of a powerful international network BZW Portfolio Management is recognised for achieving high levels of performance, combined with a commitment to service which has resulted in an excellent degree of client retention.

The key responsibilities include:

- Effective management of a portfolio in excess of £100 million.
- Assessment of client requirements and the production of asset allocation decisions accordingly.
- Responsibility for analysis and the secondary research of specific sectors.

• Training and development of junior team members. Preference will be given to applicants with a minimum of five years experience in private client investment within a blue-chip institution; however, if exceptional, candidates with less than five years experience will be considered. Candidates will be numerate and possess good team and organisational skills. It is vital that the candidate has an in-depth knowledge of investment with a thorough understanding of both UK and International stocks.

This position is an excellent opportunity for an assertive, well-presented professional. Essentially an opportunity for those that have independence of thought coupled with the ability to work as part of a dynamic, collegiate team.

Interested applicants should telephone Elizabeth Arthur or Paul Wilson on 071 831 2000 or alternatively write enclosing a curriculum vitae to: Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Fax: 071 405 9649.



Michael Page City  
International Recruitment Consultants  
London Paris Frankfurt Hong Kong Sydney

## Compliance Manager Institutional Equities

Our client, a premier US investment bank, seeks an Institutional Equity Manager to join its Equity Compliance team. At the leading edge of financial innovation, the firm is a powerful player in the equities market place worldwide. The equities business comprises sales, trading and new issue activity across a wide range of products including cash, derivatives, convertibles and warrants.

The primary focus of this role will be in providing advice to the Equity Division on UK and European legislation, SFA and exchange rules, applicable overseas legal requirements and in-house policies and procedures. Added to this will be the ongoing surveillance of the business unit and the maintenance of close links with regulatory bodies.

This is a key appointment within the department requiring both strong commercial

acumen and a positive, direct approach to the business. Candidates must be of graduate calibre (preferably with a professional qualification); have several years practical compliance/regulatory experience, with good working knowledge of SFA and Stock Exchange rules.

Experience of equities is essential. In addition applicants will be able to demonstrate authority, confidence, initiative and diplomacy. Excellent judgement, analytical and management skills are key. A competitive remuneration package is available for the successful candidate.

Interested applicants should write to Anna Williams or Sue Lintern quoting reference 206663, at Michael Page City, Page House, 39-41 Parker Street, London, WC2B 5LH. Telephone 071 831 2000. Fax 071 405 9649.



Michael Page City  
International Recruitment Consultants  
London Paris Frankfurt Hong Kong Sydney

## Asset Securitisation Analyst

London

£ Excellent

Our client, an internationally renowned organisation in the financial markets, is seeking an analyst to be an integral member of the Asset Securitisation team in London. Prior experience of this type of financing, although desirable, is not a prerequisite. However a keen desire to learn and develop a career in this field is essential. The level of responsibility and seniority is flexible and will be determined by the background of the successful candidate.

The Asset Securitisation team is responsible for analysing all asset backed transactions in Europe. The work involves understanding and evaluating asset securitisation transactions and presenting the analysis both in a written format and orally. This will require establishing and developing relationships

with the different parties involved in the transactions.

Individuals will be of graduate calibre and have a good grounding in credit or financial analysis. Due to the high profile of the role, applicants must have excellent written and oral communication skills, strong interpersonal skills and be confident self-starters. Fluency in a European language would be advantageous.

Our client will offer an attractive remuneration package which will entirely reflect experience. Performance will be rewarded by good progression in terms of responsibility and position.

Interested applicants should write to Karina Pietsch, enclosing a curriculum vitae, at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Fax: 071 405 9649.



Michael Page City

International Recruitment Consultants  
London Paris Frankfurt Hong Kong Sydney

## INVESTMENT MANAGER

We are an important asset management company in Knightsbridge and are seeking a highly trained investment professional with a minimum of 5-7 years experience in portfolio management or trading in global financial markets to manage our American and European stock and bond investments.

Prior management experience a plus. His/her responsibilities include managing the firm's own capital, handling the day-to-day operations and administrative matters of his/her department, in addition to any independent project assignments.

Salary and compensation package provided are highly rewarding and in line with the jobs' responsibilities.

Please forward C.V. and relevant information to Enrofin Asset Management Ltd, Silver City House, 62 Brompton Road, Knightsbridge, London SW3 2LW.

## Leveraged Risk Taker

Fixed Income/Foreign Exchange

Outstanding opportunity to join the risk taking team of one of the world's premier Fixed Income advisors. Management of both proprietary and client funds, 2-3 years experience. Excellent remuneration. London EC2. Please send CV to Jonathan Jay, Jay Curtis Elliott, 200 Tottenham Court Road, London W1P 9LA.



JCE Consulting

## APPOINTMENTS WANTED

## DIRECTOR OF BUSINESS DEVELOPMENT

Financial institution specialising in currency futures and options seeks Director of Business Development. The successful candidate will have 3-5 years experience in marketing foreign exchange products to an established European customer base. Send CV to Box A2176, Financial Times, One Southwark Bridge, London SE1 9HL.

## Quantitative Analyst. M.Sc. London School of Economics

2 years experience in Fundamental and Technical Analysis. Top US Bank. Seeks position in Trading environment. Tel: 44-81 905 5604

## NETWORK MANAGEMENT

££30,000 + Benefits

Our client, a leading Global Investment Bank, requires an ambitious person to join their small professional Network Management team.

Primary responsibilities will include establishing new clearing and custody agent arrangements in Europe, the Middle East and Africa supporting the firm's business by obtaining optimum operational service from the agent network, the negotiation of competitive tariffs, and the measurement of agent performance.

The ideal candidate will be well educated and energetic, with the ability to achieve important deadlines whilst managing a multitude of tasks. A willingness to travel and first class communication skills are essential for this important position, as is the ability to analyse and carry out computer modelling activities. Applications to Ron Bradley, Director of Executive Recruitment.

Jonathan Wren & Co. Limited, Financial Recruitment Consultants  
No. 1 New Street, London EC2M 4TF Tel: 071-623 1266 Fax: 071-626 5299

JONATHAN WREN EXECUTIVE



## TOP OPPORTUNITIES

SENIOR POSITIONS IN GENERAL MANAGEMENT

## Our record of inward investment speaks for itself

DIRECTOR  
Package to £50k

Once at the heart of the Industrial Revolution, Telford is now at the forefront of another: as one of the fastest growing commercial forces in the country. Thanks to the efforts of our highly respected Development Agency, we've continually managed to attract substantial inward investment. Split 50/50 between the UK and overseas, this includes such major names as NEC, Maxwell and Fris of the Loom, together with the country's highest concentration of companies from Japan and Taiwan.

This track-record speaks for itself. Now, with the forthcoming retirement of our Director, David Rogerson, we are looking for someone who can maintain and develop the Agency's work with energy, vision, commitment and expertise.

Travelling extensively in the UK - and occasionally overseas - you'll be expected to present an overwhelming case for investment in

Telford, increasing our profile and helping us target and secure new business. Very much a hands-on role, it calls for a proven ability to influence and build partnerships with senior decision-makers. A background in inward investment and development (or a similar role) is essential, as are the associated qualities: energy, flair and diplomacy together with exceptional sales and presentation skills.

For a detailed information pack and application form contact Jeff Stanton at Austin Knight on 021 - 456 4721.

For an informal discussion about this exciting opportunity, telephone David Rogerson on 0952 - 293262.

**Telford.**

MANAGING DIRECTOR  
HIGH TECHNOLOGY  
CAPITAL EQUIPMENT

Rapidly growing \$5M turnover company in Southern England, world leader in its field, requires chief executive with proven track record in running small technology based businesses including design engineering, manufacturing and marketing to global blue chip customer base.

\$50K package plus generous equity stake/share option package which could translate into seven figure reward within five years for someone with the right experience, drive and commitment.

Please send detailed CV in total confidence to:

Box No. 2171

Financial Times,

One Southwark Bridge, London, SE1 9HL

## DIRECTOR

International Business Development  
Power Generation

A highly visible position for a Director of International Business Development is available with a prestigious European headquartered power engineering firm.

This position requires a bachelor's degree or equivalent, and a minimum of 10 years experience successfully selling engineering and design services in the international power market. A comprehensive knowledge of clients and markets in the Far East in power generation, transmission, and distribution is essential.

Please send resume to: SAA Confidential Reply Service, Dept. IC2, P.O. Box 8999, East Brunswick, NJ 08816. An Equal Opportunity Employer, M/F/D/V.

## NON-EXECUTIVE CHAIRMAN

A.J. Mackness Ltd is a private family owned property & leisure company operating principally in Northamptonshire and Yorkshire. The Company is owned by four brothers who each manage a separate division of the Company. They meet formally six times a year to review the company's activities. A Non-Executive Chairman is sought to chair these meetings. Applicants should hold a board level position in a major company, and have a wealth of commercial experience.

Please apply in writing to: The Company Secretary  
A.J. Mackness Limited, 1 Harsley Road,  
Kingshorpe Hollow, Northampton NN2 6LB

## BANKING FINANCE &amp; GENERAL APPOINTMENTS

## Investment Manager (Pacific Equities)

Glasgow based Financial Services Package

Scottish Mutual Assurance plc is a company with great plans for the future. Our aim is to significantly develop new business, to take full advantage of developing European and off shore opportunities and to place our life assurance business within the top ten UK life assurance companies.

As we enter a period of significant growth, we recognise the need to invest in high calibre professionals to ensure we maintain our superior performance. Therefore when it comes to positions such as the Investment Manager we only want to invest in the best and in those who can benefit and flourish from the training and career development which we can offer.

This is an exceptional opportunity to fulfil a key role in managing our Pacific Basin portfolio. Taking charge of a team responsible for £500 million of funds invested in the Far East and Japanese markets, you will be expected to contribute towards the overall asset strategy of the Investment Division.

An Associate of the Institute of Investment Management & Research (or equivalent), you will have at least 8 years relevant experience. Ambition, decisiveness, self motivation and a genuine desire to reach your goals are all

qualities which we are looking for. It goes without saying, excellent communication skills and initiative are prerequisites.

In return we offer an attractive benefits package which includes an excellent working environment in Glasgow city centre, non-contributory pension scheme, life assurance, discretionary mortgage (subject to eligibility), subsidised BUPA and discretionary profit share.

For an application form please contact Alison McTaggart, Manager - Personnel, Scottish Mutual Assurance plc, 109 St Vincent Street, Glasgow, G2 5HN or telephone 041 305 8280, 9am to 5pm weekdays.

To support a healthy work environment, Scottish Mutual has a no smoking policy.

In pursuing our policy in equality of opportunity, Scottish Mutual positively welcomes applications from every section of the community.

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**Scottish Mutual**

Promoting Success Through Equality

## CORPORATE BANKING MANAGERS

SALARY & BANKING BENEFITS

LONDON AND MANCHESTER

Bank of Ireland has a reputation for excellence with 550 outlets and assets of over £15 billion worldwide. The Bank of Ireland is characterised by a core policy of combining personal service with a high level of professional competence.

As part of our expansion into the UK, we wish to develop our presence in London and Manchester. We offer a full range of banking services to the mid sized corporate market. To help achieve this we are seeking to recruit two highly experienced Corporate Banking Managers to our London and Manchester offices.

Your role will be to develop and manage one of these markets through the development of profitable business from both new and existing customers. This will include developing contacts at a senior level within the local business community; analysing, preparing and submitting proposals for approval and all aspects of client account management.

Ideally a graduate with a background of formal credit training, you should combine experience of working in a related clearing bank/corporate business environment with well developed credit skills, knowledge of legal documentation and security issues and a proven track record in business development. The ability to work within a team, confidence, determination and self motivation are all critical to this high profile development role.

In addition to a competitive salary, you can expect a generous range of benefits including subsidised mortgage, private healthcare and performance related incentives. Success in this role will create an excellent opportunity for career development as we develop our corporate presence in GB.

Initially please write, enclosing your full C.V. to:  
Ken McCracken, Head of Corporate Banking, Bank of Ireland, 36 Queen Street, London EC4R 1BN



**Bank of Ireland**

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INVESTMENT ANALYST  
UK EQUITIES

Sun Alliance Investment Management is the investment arm of the Sun Alliance Group - one of the UK's largest composite insurance companies, with assets under management of £23bn.

As an Investment Analyst within our UK Equity Research Team you will be responsible for acquiring in-depth knowledge of companies in a number of industry sectors and will work in close co-operation with the fund managers as an integral part of the investment process. You will also be expected to develop direct communication with companies and undertake original fundamental research.

Aged middle to late twenties, you should be a

graduate and preferably IDMR qualified or equivalent. At least two years' investment analysis experience is essential coupled with a well developed and disciplined analytical approach. Highly self motivated you should have the ability to think independently and to back your own judgement and have excellent communication and interpersonal skills.

To apply please write enclosing full career details stating current salary and benefit package to Mrs Lesley Turner, Sun Alliance Investment Management, 1 Bartholomew Lane, London EC2N 2AB.

**SUN ALLIANCE**  
INVESTMENT MANAGEMENT

**CJA** RECRUITMENT CONSULTANTS GROUP  
2 London Wall Buildings, London Wall, London EC2M 5PP  
Tel: 0171-586 3588 or 0171-586 3576  
Fax No. 0171-256 8501

A high profile position in international bank analysis

## BANK ANALYST

CYPRUS

Our client, CAPITAL INTELLIGENCE, is one of the world's leading bank rating and analysis companies, providing regular and comprehensive reports on banks and banking in twenty-five countries in the Asia/Pacific and Gulf/Mediterranean regions. Their subscribers include most of the world's top banks and a growing number of multi-nationals. Due to expansion, Capital Intelligence wishes to appoint an additional Bank Analyst. Based in Cyprus, Analysts travel regularly to designated countries, meeting senior bank officers, auditors, central bankers and others prior to producing their highly regarded, objective reports. Candidates should have relevant experience and be excellent communicators. Foreign language skills would be an advantage. They should be able to operate independently, work to tight deadlines and be prepared to travel. In return, the successful candidate will enjoy a competitive US dollar remuneration package, offshore tax advantages, opportunities for career development and pleasant living conditions. Interviews will take place in London in late November or early December, and candidates should be in a position to relocate to Cyprus by April 1995.

Applications, in strict confidence, to Capital Intelligence Ltd, PO Box 3585, Limassol, Cyprus (Fax No: +357 5-359327), marked for the attention of the General Manager.

## FT/LES ECHOS

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world. For information on rates and further details please telephone:  
Philip Wrigley on +44 71 873 3351

## PARIS

## FINANCIAL MANAGERS

FOR AN IMPORTANT FINANCIAL INSTITUTION

Manager of Specialised  
Financing Department

We are offering a rare opportunity for a financial specialist to lead a team of 6 financial and legal experts in charge of masterminding, developing and implementing high standing financial transactions and products in close consultation with both our internal network and our clients.

Candidates should be French or Anglo-Saxon nationals with top post-graduate training, and will have some 15 years experience in the markets, including 5 years experience in domestic and international financial transactions with a French or foreign bank. Ref: SFD.

Both positions are based in Paris and require creativity, drive, ambition, marketing flair and interpersonal skills. Fluency in English and French is essential.

Successful candidates will be offered real prospects for promotion within our Group.

Please apply in writing with a detailed curriculum vitae and photo, stating salary required, and quoting the selected reference to: AUSTIN KNIGHT, CARRE TURENNE - 129 rue de Turenne - 75003 Paris, France.

Manager of Industrial  
Project Financing Department

An excellent opportunity is being offered to a specialist in Anglo-Saxon financial markets capable of leading a team of 5 to expand our activity in domestic and international industrial project financing.

Interested applicants should be graduates with top scientific or financial training, and have close to 15 years of post-graduate experience with industrial and financial institutions, including 5 years in international industrial project financing. Ref: IPFD.

VENTURE  
FUND MD

A Midlands based Regional Fund seeks a Managing Director. Key elements are Fund-raising, Deal Making, Staff supervision and achievement of a Deal Flow.

You will need empathy with SMEs, a knowledge of Accounting (probably qualified), the ability to spot a winner; the personality to tie up the deal, supervise due diligence and monitor performance all at Board level.

Attractive Salary and Carried Interest.

CV to:

Box A2172, Financial Times,  
One Southwark Bridge,  
London SE1 9HL

## JOSLIN ROWE

banking recruitment consultants

## Operations Manager

£35,000

US House seeks a committed and resilient individual, aged 25-35, to manage a team dealing with the set-up and custody of a variety of financial instruments via Swap, Global Custody and Domestic Clearing Agents. You will be able to demonstrate strong management skills and to be comfortable generating new ideas and implementing them in an environment subject to ever changing priorities.

## Regulatory Control

To £40,000

Leading Regulatory Authority seeks to recruit an individual with extensive knowledge of client money and safe custody relations. Duties for this demanding and high profile role will include reviewing and developing policy for new and existing securities and derivatives markets, training and interpretation of existing rules and marketing of procedures.

## Manager - Swap Middle Office

£40,000

Blue Chip International Bank currently seeks a motivated and professional ACA/ACCA qualified individual with 3-5 years' experience. The successful individual will have exposure to one or more of the following: IS/Currency Swaps, OTC Options, Swaptions, Caps, Floors and Collars. Candidates will possess strong team-management skills and the ability to thrive in a highly pressured environment.

## Product Accountant

£40K

A qualified ACA accountant (first time passed) with a working knowledge of Eurobond, FX and Swaps is sought by this prestigious international bank. The role involves examining the European business activities, producing management accounts, profit and loss reporting and financial accounting for Foreign Exchange, Fixed Income Derivatives.

Joslin Rowe Associates Ltd Bell Court House 11 Blomfield Street London EC2M 7AY  
Telephone 071 698 5286 Facsimile 071 382 9417  
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## CORPORATE DEVELOPMENT EXECUTIVE

## MERGERS &amp; ACQUISITIONS, EUROPE

LONDON

c.£50,000 + BONUS + CAR

- This major plc with sales in excess of £4bn owns substantial manufacturing businesses in the UK and North America and actively seeks to increase its investments in Continental Europe.
- The Group has experienced rapid growth through acquisitions. Peripheral businesses have been sold following a review of corporate activities: future strategy will be to expand the Group's share and interests in its core consumer related sectors.
- The challenge will be to identify potential acquisitions and, if required, further disposals supporting actual transactions through the preparation of documentation, due diligence, and liaison with bankers and lawyers.

- The brief will also include participation in the corporate planning process in conjunction with the Finance Department and responsibility for Group-wide strategy projects and post-acquisition reviews.
- Aged late 20s to early 30s, candidates will be graduates with direct M&A experience in a blue-chip multi-national, a Merchant Bank, or the corporate finance arm of 'Big 6' accountancy firms. Must have strong background and extensive European experience.
- Fast track, expedient with an organised, analytical approach, independence of mind and excellent communication skills. Second European language a distinct advantage.

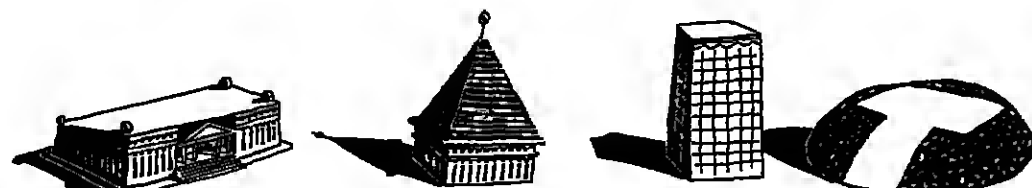
Please apply in writing quoting reference 796 with full career and salary details to:  
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 Whitehead Selection Limited  
 43 Welbeck Street, London W1M 7EP  
 Tel: 071 637 8736

Whitehead

SELECTION

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## Opportunities in Corporate Development Consulting



## GUIDING ORGANISATIONS THROUGH MERGERS, ACQUISITIONS, DIVESTMENTS AND GROWTH

When companies come to devise a corporate development strategy, there is no shortage of advice. Good advice, however, is thin on the ground.

As the leading international management and technology consultancy, PA is one of the few reliable sources. Our insight into sectors as diverse as the information industries, telecommunications, technology, finance, consumer and capital goods, public sector and utilities puts us in a prime position to guide companies through the often highly complex processes of expansion and restructuring.

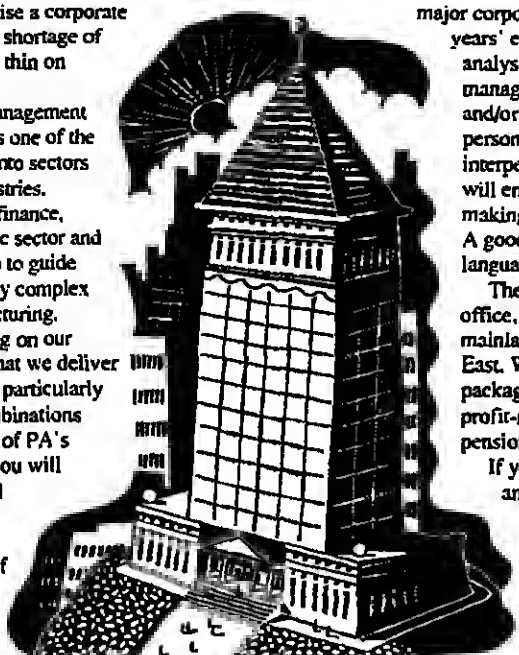
We pride ourselves on focusing on our clients' real needs and ensuring that we deliver substantial value to shareholders, particularly in our evaluation of business combinations and business plans. As a member of PA's Corporate Development Group, you will provide creative, independent and objective support for mergers, acquisitions, divestments and privatisations as well as aspects of organic growth.

A qualified professional, accountant, lawyer or MBA, in either professional services or a

major corporation, you should have two or more years' experience in corporate finance, proposal analysis and evaluation and M&A planning and management, preferably including cross-border and/or international assignments. Considerable personal credibility, allied to impeccable interpersonal skills and strong financial ability will ensure your success in this decision-making, commercially-driven environment. A good first degree is essential, while a second language would be desirable.

These positions are based in our London office, but are likely to require travel to mainland Europe, North America or the Far East. We offer a competitive salary and benefits package including a performance-related bonus, profit-related pay, company car scheme, pension and private health plan.

If you believe you have the necessary skills and expertise, please send your cv, including details of current salary, to Roselyn Cason-Mareus, Ref: 2054/RCM/FT, PA Consulting Group, 123 Buckingham Palace Road, London SW1W 9SR. Fax: 071-333 5452. PA is an equal opportunities employer.



PA Consulting Group

Creating Business Advantage

## Fund Manager

ASIA (EX-JAPAN) EQUITIES  
MAJOR LONDON INVESTMENT HOUSE

Due to increasing emphasis on this region an exciting opportunity has arisen for an additional Fund Manager to join the Far Eastern Team.

Working closely with the Director in charge of the region, the Fund Manager will manage a number of country portfolios.

The ideal candidate will be a graduate with 3 years' Fund Management experience, nor necessarily within Asian Markets.

A high level of analytical and communication skills will be required and a competitive salary package is available.

Please write with full career details, to Paul Wilcock, Ref: N1138, MSL Advertising Services Limited, 32 Aybrook Street, London W1M 3JL. List separately any companies to which your details should not be sent.

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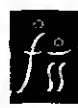
FUND MANAGERS  
S.E. ASIA AND EMERGING MARKETS

Our Client is the Investment Management arm of a premier international investment bank with global operations spanning Europe, North America and the Far East.

The success and continued expansion of the team has led to the creation of an opportunity for two new fund managers to join our Client, focusing on South East Asia and the Emerging Markets respectively.

As a South East Asia Fund Manager, you will have a minimum of 2 years' relevant fund management expertise concentrating on S.E. Asia/Far East and will probably be looking for your first move. As an Emerging Markets Fund Manager you will initially be concentrating on Latin America with a view to expanding into other emerging markets and should be able to demonstrate previous relevant experience. Successful candidates will each play a key role in new product development.

Interested candidates should send their curriculum vitae, including present remuneration details and contact telephone number, no later than Friday 28 October, to Howard Foster, FSS Financial Selection Services, Charlotte House, 14 Windmill Street, London W1P 2DY, (fax: 071-209 0001).

FSS  
FINANCIAL  
SELECTION SERVICESHighly  
Competitive  
Package

CITY



## Senior Trader

(FX, Swaps, FRA's &amp; Derivatives)

Fluent English &amp; German

Based in Vienna

ING Bank is part of one of Europe's major financial institutions. Internationale Nederlanden Group.

We are seeking to recruit a Senior Trader for our operations based in Vienna, with the following profile:

- 5 years experience with a major bank in Foreign Exchange and/or Swaps, FRA's and Derivatives (Bond Trading experience will be an advantage).
- Ideally some experience of working or living abroad.

- Fluent in both English and German.
- Self-starter with entrepreneurial flair.
- Team player with good inter-personal skills.

In addition to a competitive salary and benefits you will also participate in a performance related bonus plan.

Please send your curriculum vitae including salary history to:

ING Bank, P.O. Box 152, A-1011 Vienna, Austria. Attn: Mr. T. Liguori

ING BANK

## CORPORATE BANKER

Generale Bank is Belgium's no. 1 bank. The London branch has been long established in the City of London, specialising in the delivery of a wide range of services to small to mid sized UK corporates.

Due to expansion, an opportunity has arisen for an experienced corporate banker to join its UK commercial team. The key focus of the role will be business development with small to mid-sized corporates within Greater London and the South.

The ideal candidate will have a dynamic personality, strong marketing skills and an excellent track record in banking the middle corporate market. Preferably, he/she will be a university graduate in their early 30s and will have worked at a London based European Bank and/or Clearing Bank.

Generale Bank offers a competitive salary and banking benefits.

Interested candidates should write with their CV, in confidence, to Ron Bradley, Director of Executive Recruitment at Jonathan Wren & Co. Ltd., No.1 New Street, London EC2M 4TP Tel: 071-623-1266 Fax: 071-626-5259

## GENERALE BANK - LONDON

## International Economist

S.G. Warburg is looking to recruit an international economist to join its London-based research team, reporting to George Magnus, our Chief Economist.

The role involves the analysis and forecasting of European economies with a particular focus on money and fixed income markets, especially those in Southern Europe.

Candidates will have a degree in Economics plus a minimum of three years experience in the financial services industry. You will need to demonstrate an ability to interpret economic and political developments, and to present well articulated financial asset strategies based on economic research. Knowledge of relevant languages and econometric skills are also sought.

The position offers an attractive salary with the full range of banking benefits.

To apply, please write with full career and salary details to:

Richard Zaborski  
 Group Personnel  
 S.G. Warburg Group Management Limited  
 1 Finsbury Avenue  
 London EC2M 2PA

S.G. WARBURG

## Dealing Room Opportunities

Unibank is one of the leading banks in Denmark. We have 422 branches in Denmark and 16 branches and representative offices round the world. London Branch has over 80 staff, the majority of whom are employed in the strategic business areas of Treasury, Securities Trading, Private Investment Banking and Corporate Banking. Our main focus is on Scandinavian-related business but not exclusively so. Unibank offers a broad range of customised products and services. We aim to provide financial security and value for our customers through personal dialogue.

**Spot Dealers**  
 Unibank in London is an active participant in the UK market in Scandinavian FX and money market products. As these activities are expanding, we now wish to recruit two Spot Dealers to strengthen our Interbank Team which services both our interbank activities and our customer base.

For the more senior of the two vacancies we are looking for a dealer whose experience includes a minimum of three years' trading in Scandinavian spot currencies combined with some marketing. The second vacancy is open to candidates with some experience in spot trading.

**Sterling Dealer**  
 We also have a strong presence in the London Sterling market and now wish to recruit an additional Sterling Dealer.

The ideal applicant will have a minimum of three years' experience of off-

balance sheet products with some experience in Sterling cash products. As the job will also encompass marketing, some experience in this area would be an advantage.

**Applicants**  
 Successful applicants for the above positions must be able to demonstrate a flexible approach and be highly motivated to contribute to developing these expanding areas of our activities.

Unibank offers a competitive banking package which includes bonus and car schemes as well as a non-contributory pension, mortgage subsidy and medical insurance.

If you would like to join our Dealing Team, write, enclosing your detailed CV, to Liz Knott, Head of Human Resources, Unibank A/S London Branch, 107 Cheapside, London EC2V 6DA.

Unibank



## Group Company Secretary (Designate) Fast Growing Plc

c.£45,000 + Substantial Package

Central Scotland

Commercial role with this fast moving group.

**THE COMPANY**

- ◆ Divisional structure with strong trading brands.
- ◆ Well resourced with plans to grow, possibly by acquisition.
- ◆ Small, highly skilled corporate office. Full autonomy at divisional board level.

**THE POSITION**

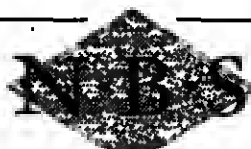
- ◆ Head group company secretarial function working closely with Board.
- ◆ Network between company and City ensuring statutory and Stock Exchange compliance.

- ◆ Guide on acquisitions, contract law and strategic operational issues.

**QUALIFICATIONS**

- ◆ Professionally qualified, or possibly commercial lawyer, with substantial corporate and regulatory experience.
- ◆ Ideally aged 28-35, fluent on commercial, company and employment law. City knowledge.
- ◆ Active team player. Outstanding interpersonal, negotiating and communicating skills.

Please send full cv, stating salary, ref GN4250, to NBS, 78 St Vincent Street, Glasgow G2 5UB

NBS SELECTION LTD  
a BNS Resources plc companyGLASGOW 041 204 4334  
Aberdeen 0224 638080 • Birmingham 021 233 4656  
Bristol 0272 291142 • Edinburgh 031 220 2400  
Leeds 0532 453830 • London 071 493 6392  
Manchester 0625 539953 • Slough 0753 819227

## International Corporate Finance Manager

To £50,000 with Benefits

City

Exciting opportunity to join expanding corporate finance team in powerful continental banking group.

**THE COMPANY**

- ◆ Corporate finance and securities arm of leading European banking group.
- ◆ Provides broad range of corporate advisory services.
- ◆ Ambitious, growing team with cross-border focus.

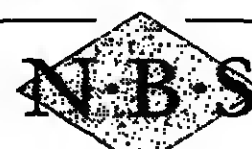
**THE POSITION**

- ◆ Key member of London-based operation. Full involvement in all aspects of transactions.
- ◆ Develop marketing initiatives. Client contact at senior levels.
- ◆ Liaise with overseas colleagues to develop transactions.

**QUALIFICATIONS**

- ◆ At least three years' experience with investment/merchant bank.
- ◆ Bright graduate with first class origination, presentation and negotiation skills. Lawyer, MBA or ACA ideally.
- ◆ Must speak additional European language, preferably Italian.
- ◆ Highly motivated, commercial and ambitious. Thrive in small team environment. International focus and prepared to travel regularly.

Please send full cv, stating salary, ref CN4146, to NBS, 10 Arthur Street, London EC4R 9AY

NBS SELECTION LTD  
a BNS Resources plc companyCITY 071 423 1530  
Aberdeen 0224 638080 • Birmingham 021 233 4656  
Bristol 0272 291142 • Edinburgh 031 220 2400  
Glasgow 041 204 4334 • Leeds 0532 453830  
Manchester 0625 539953 • Slough 0753 819227

## Corporate Finance

City and Home Counties

KPMG Corporate Finance is amongst the top ten UK advisors on public and private transactions. We advise clients on acquisitions, disposals, bid defences, takeovers and mergers, management buy-outs and privatisations.

The London team has some 60 people, with 25 staff in the satellite offices. The teams comprise accountants, solicitors, merchant bankers and MBAs. Due to strong demand for their services they are now seeking to recruit at the Executive and Manager levels.

Aged in their 20's, candidates will typically be ACA's with a first class examination record. Excellent communication skills and flair as well as the ability to work well within a team framework are also seen as important attributes. No previous corporate finance experience is required for those candidates applying at the Executive level, although any

related 'special work' experience would be advantageous. We seek up to four years' relevant experience for applicants at the Manager level and would be particularly interested in those candidates who can demonstrate a track record in the MBO field. Beyond this, a foreign language capability will always be regarded as an advantage.

A competitive remuneration and benefits package will be offered together with the opportunity to develop a career based on a wide range of corporate finance experience, coupled with a comprehensive training programme.

Interested applicants, should in the first instance, write enclosing full career and remuneration details to Anna Ponton, KPMG Selection and Search, 1-2 Dorset Rise, Blackfriars, London EC4Y 8AE, quoting reference C923F.

**KPMG Corporate Finance**

KPMG Corporate Finance is a practicing name of KPMG Post Marwick

### VOLVO CARS EUROPE MARKETING

is the company which manages the commercial system of VOLVO CAR CORPORATION in Europe. Together with its national sales companies/ importers and dealers in 20 European countries, it constitutes a customer driven organization whose mission is to market and distribute cars and services which meet and exceed the customers' expectations, especially in the areas of safety, quality, environmental care, attractive design and pleasure to buy and own.

The company is located in Brussels and, in its head office, it employs 70 people of 10 different nationalities.

Over the past year, VOLVO CARS EUROPE MARKETING has initiated a major change strategy across Europe, where Total Quality (TQM) and Business Process Re-engineering are regarded to be key means for achieving our ambitious objectives. Within this frame, we are now looking for a (m/f)

### TOTAL QUALITY IMPLEMENTATION SPECIALIST

with a broad re-engineering experience and a strong hands-on approach

**Function:** ☐ you will at first focus on providing our European and local management with a high level of knowledge and feeling in Business Process Redesign; ☐ you will be responsible for initiating, developing and driving the successful implementation and roll-out of the process re-engineering activities in our subsidiaries across Europe; ☐ as our internal consultant, you will coach within the framework of our TQM strategy the long term organisational change and therefore provide pro-active advice, support and guidance in this field.

**Profile:** ☐ university degree with several years of experience in either a European Multinational with a strong customer focus or a leading consultancy, having managed and implemented significant change with performing results; ☐ professional background in the strategic, technical and people related issues of process re-engineering and change management; ☐ excellent influencing and communication skills combined with strong business acumen and service orientation are essential to be successful; ☐ fluent in English and at least one other major European language and willingness to travel 50% of the time.

**Offer:** ☐ a unique chance to work for an innovative and high performing blue chip company with strong values such as reliability, safety and respect for the individual; ☐ the opportunity to become part of a young and dynamic team dedicated to customer satisfaction via the TQM philosophy; ☐ responsible function in an international environment with people who like initiative, creativity and self-development within a company culture focused on team work; ☐ remuneration in proportion to the challenge accompanied by a company car, group insurance and other fringe benefits.

If this offer comes up to your expectations, then send as soon as possible your letter and CV to our Human Resources Advisers, MERCURI URVAL, Square Fr. Riggs 30, 1030 Brussels, Belgium. Please mention the reference A94.200 on the envelope and the letter.

**VOLVO**

## RELATIONSHIP MANAGEMENT JAPANESE CORPORATE CLIENTS

£ Negotiable

City Based

As one of the world's most prestigious banking institutions, our client is an established and highly respected force in the provision of a wide range of commercial and investment banking services to major corporate and institutional entities on a global basis.

Reporting to the Head of International Relationship Banking, this senior role carries full responsibility for maintaining and developing the bank's relationships with Japanese clients active in the U.K.

Candidates should have the following profile:

- Fluency in Japanese;
- A successful track record of relationship management and quality business development within the corporate banking market;
- An empathy with and an understanding of Japanese culture;
- Strong credit skills;
- An enthusiastic creative team player able to make a positive impact with contacts both internally and externally;
- A sound knowledge of capital market products, especially derivatives.

If you have the necessary skills and experience and are willing to meet the challenges of this role please call or write to Sean Carr or Richard Lyons.

Carr Lyons Search and Selection Ltd  
Astral House, 125-129 Middlesex Street  
London E1 7JF  
Tel: 071-623 9495 Fax: 071-623 1263

Williams Wingfield  
Executive

Carr-Lyons Search & Selection Limited trading as Williams Wingfield Executive

## EMERGING MARKETS

Baring Brothers & Co., Limited is seeking to recruit an individual with two to three years' proven trading or structuring experience in emerging debt and equity markets, particularly in Turkey. Additional experience in the markets of Eastern Europe, the Middle East and Africa would be an advantage.

Candidates would initially be involved in a product role for structured equity activity, moving towards direct trading responsibility. Candidates should have demonstrable analytical and quantitative skills and have the ability to structure complex financial products and develop financial strategies. The individual will be expected to produce research and provide economic analysis; credit and investment analysis experience, therefore, is essential. Fluency in at least two European languages is also required.

You will be rewarded with an excellent salary and benefits package, commensurate with both your experience and potential.

To apply, please write with full career and salary details, to Sheila Milbank, Assistant Director Personnel, Baring Brothers & Co., Limited, 8 Bishopsgate, London EC2N 4AE.



COMBINED INTERNATIONAL INDUSTRIAL AND BANKING EXPERIENCE  
Executive manager of German private bank, with strong background in banking, corporate finance, corporate strategy and financial engineering. Looking for new challenge in leading company, portfolio management, company with strong position, leading global stock or interest pool, interested in lowering personally.  
Write to: Box 4372, Houndmills, One Southview Bridge, London SE1 9HL.

### APPOINTMENTS WANTED

**CONSULTANT/TELECOMMUN.**  
(30) Fluency in German and English. 3 years in a focused marketing consulting firm, specializing in planning, market and management issues for telecommunications and information industry clients. Seeks new opportunities.  
Please reply to Box A2449, Financial Times, One Southview Bridge, London SE1 9HL.

## International Business Development Manager

Leading Investment House  
City  
Substantial basic + bonus + benefits

Our client is a leading London based Asset Management subsidiary of a major financial services group, currently funds under management exceed £5 billion. The company has an excellent investment performance record and it now plans to promote its range of predominantly top quartile offshore funds and products on an international basis. An experienced offshore sales specialist is now sought to spearhead their expansion into Europe.

Based from London, reporting to the Operations Director, your brief is to develop sales of products and services through institutions and larger intermediaries transacting business outside the UK. In addition the role will encompass involvement in the preparation and presentation of feasibility studies for the development of new (non UK) outlets, product development, planning, budgeting, and development

of appropriate support services.

It is essential that you have a solid investment background selling collective investment schemes overseas. You will have a network of current and relevant contacts (preferably in Europe) and can demonstrate a sound understanding of offshore funds and other types of investment products. Probably aged in your 30's you are highly motivated, work well under pressure and possess the kind of drive and vision required to help develop the company into a significant international player in the future.

To apply, please write, quoting reference 1054 to Fiona Law at FLA Ltd, 211 Piccadilly, London W1V 9LD. Tel: 071-738 9732. Please include details of your career, remuneration and overseas investment experience in your application.



## Assistant Treasurer

A superb career challenge with worldwide scope  
Excellent remuneration package  
West London

SmithKline Beecham is one of the world's leading healthcare companies, with operations embracing human ethical pharmaceuticals, consumer healthcare, animal health products and clinical laboratory services.

Integral development creates this important opportunity for an experienced treasury or banking executive to join our sophisticated Corporate Treasury department.

In this role, you will report directly to the Director of Treasury and manage SB's central settlement and cash management operation based in London. In addition, you will be responsible for all SB's Continental European treasury operations and for global foreign exchange exposure management and cash reporting systems.

An ACT member or ACIB, with a degree or other relevant professional qualification and a good standard of systems literacy, you should have a proven track record in a dynamic, change orientated organisation.

Our excellent benefits package includes attractive salary, bonus, pension and medical plans, share-matching scheme, car and relocation assistance where appropriate.

If you want to take up the challenge and join a progressive organisation with a commitment to quality and innovation, please write, enclosing a cv with details of current remuneration, to Natalie Woodford, Human Resources Manager, SmithKline Beecham, One New Horizons Court, Brentford, Middlesex TW8 9EP.

**SB**  
SmithKline Beecham



## Bond Sales - Southern Europe

We represent a major international securities house who are looking to strengthen its London-based sales team. Working with a very active group of professionals, you will be responsible for selling a wide range of debt products to a sophisticated client base in Italy and Southern Europe including state owned entities, corporates and financial institutions.

You must be fluent in English and Italian and a knowledge of Spanish is highly desirable although not a pre-requisite. Ideally a graduate in your late 20's to early 30's with between 3 and 5 years relevant experience. Having benefited from a sophisticated and recognised training programme, you will be looking for an opportunity to develop your career and management skills.

For a confidential discussion please contact Nigel Haworth, Tel: 071-236 2400, Fax: 071-236 0316 or apply in writing to Sheffield-Haworth Limited, Prince Rupert House, 64 Queen Street, London EC4R 1AD.

**SHEFFIELD-HAWORTH**  
Consultants in Search and Selection

## LIVE BUSINESS NEWS

FINANCIAL TIMES TELEVISION is expanding. From January next year it will produce more than six hours of financial news, analysis and comment for global markets. We are expanding our editorial team, and welcome applications from those with a strong financial news-sense able to produce or present breaking stories and other business trends to investors, decision-makers, executives and all those interested in money. We also seek technical and support staff. Specifically:

|                           |                     |                  |                 |
|---------------------------|---------------------|------------------|-----------------|
| OUTPUT EDITORS            | PRODUCERS           | REPORTERS        | RESEARCHERS     |
| DIRECTORS                 | PAS                 | VT EDITORS       | CAMERA CREWS    |
| TAPE LIBRARIAN            | EDITORIAL SECRETARY | GRAPHICS ARTISTS | SYSTEMS SUPPORT |
| ARABIC SPEAKING PRESENTER | JUNIOR TECHNICIAN   |                  |                 |

Send one page with evidence that you have a positive attitude to multi-skilling, that you can work in a team and that you can do the job. Applications for editorial posts should also give their views and ideas on financial programming in the current competitive environment.

Post or fax an up to date CV to Stanislaus Joseph, Financial Times Television, Teddington Studios, Broom Road, Teddington TW11 9NT, England. Fax 44-81-614-2571.

**FT**  
FINANCIAL TIMES  
television

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## Investment Opportunities at Standard Life Edinburgh

Leading the way in the highly competitive financial services market, and with assets in excess of £37 billion, Standard Life's investment products are still growing at an enviable rate. Successful investment management plays a major part in driving us forward, which is why we're now expanding our team in order to exploit new investment opportunities. For decisive, self-motivated investment professionals who find the prospect of influencing a major company an exciting one, we offer outstanding career opportunities.

As part of either our Pacific or UK Equities teams, you will be responsible for gathering and analysing information on specific countries, sectors and companies which will enable you to make key decisions on sector and stock investments. You will also use your communication and analytical skills to the full as you meet regularly with companies and stock brokers and carry out independent research.

### PACIFIC EQUITIES (Excluding Japan)

You should have 4-5 years' experience of stock analysis or portfolio management in the Pacific markets. Highly innovative, you should be able to demonstrate a track record of producing excellent investment performance. Please quote ref: 1138/FT

### UK EQUITIES

For a highly motivated individual with at least 18 months' UK Equity experience, this key role in sector and stock analysis offers the scope to progress to portfolio management responsibilities. Educated to degree level, you should ideally be studying towards or have gained an IIMR qualification. Please quote ref: 1139/FT

We'll reward your commitment with a competitive salary and a generous range of benefits including house purchase loan scheme, non-contributory pension and private medical cover.

Please write with full cv, including your career achievement and details of your current salary, quoting the appropriate reference number, to Kenneth Notman, Recruitment Officer, Standard Life Assurance Company, 40-42 George Street, Edinburgh EH2 2LE.

Closing date for receipt of applications is 28 October 1994.



**STANDARD LIFE**

## TREASURY DIRECTOR Financial Institution

### The Company

A fast growing Irish based financial institution with geographically dispersed operations.

### The position

A Treasury Director is sought to head up all aspects of treasury, funding and risk management activities. The position, which reports to the Chief Executive Officer, includes the following responsibilities:

- To ensure adequate group wide funding through debt and equity instruments, commercial deposits, structured and tax based financings.
- To manage the liquidity of the group.
- To measure and manage the group's interest rate and currency risk exposure.
- To develop and monitor the group's hedging strategies and to ensure that treasury lines are available to implement these strategies.
- To manage and develop the group's numerous banking relationships by undertaking regular bank reviews.
- To develop structural financing techniques.
- To undertake a wide range of project work including assessing the treasury implications of developments such as acquisitions and disposals.
- To participate as a member of the senior management team responsible for directing all aspects of the Group.

### Qualifications

The appointee will have at least five years' experience managing a wide ranging treasury function. The individual will have substantial experience in the debt and equity capital markets as well as in managing a large number of international banking relationships. Clearly illustrated management experience will be required. There will be active personal involvement in every aspect of the treasury function. The appointee will be capable of motivating a team and participating within the infrastructure of this organisation. This individual will be based in Dublin.

### Compensation

Our client provides a very competitive and comprehensive package which will truly reflect the seniority of this position.

### To apply:

Send a detailed resume to David Miller, quoting reference COB34 at

**Miller Leake**  
ADVERTISING

3rd Floor, 11 Garsick Street, Covent Garden,  
London WC2E 9AR

The Top Opportunities Section  
appears every Wednesday. For  
advertising information call:  
Philip Wrigley +44 71 873 3351

## STATE OF WISCONSIN, USA, DEPARTMENT OF DEVELOPMENT EUROPEAN & MIDDLE EASTERN TRADE OFFICE

The State of Wisconsin, USA, Department of Development is seeking a qualified individual to contract with for the operation of its European & Middle Eastern Trade Office in Frankfurt, Germany. The individual contracted with will be responsible for assisting Wisconsin companies in selling their products and services in Europe and the Middle East; assisting with the identification of potential dealers, distributors, agents and retailers for Wisconsin businesses and products; conducting market research of Wisconsin companies and products; promoting the State of Wisconsin in Europe and the Middle East; and participating in and coordinating trade missions and shows in Europe and the Middle East. The individual will also be responsible for office management and required staff selection and supervision. To be considered, the individual must be fluent in English and German both written and oral, and have directly related work experience and knowledge. Individuals interested in providing these services on a full-time exclusive contract basis should submit a resume, salary history, and a one-page description of experience and qualifications by November 11, 1994, 4:00 pm CST to:

Helen McCain, Administrator  
Division of Administrative Services  
Wisconsin Department of Development  
Post Office Box 7970  
Madison, Wisconsin 53707  
Telephone: 608/266-1529 Facsimile: 608/266-0182

## INTERNATIONAL MANAGEMENT CONSULTANCY

- \* SALES CO-ORDINATOR: EASTERN EUROPE
- \* VICE PRESIDENT SALES: CZECH REPUBLIC OR HUNGARY

Our client is a world leader in the provision of Productivity Improvement Consultancy. They are currently working with some of the best known organisations throughout Europe, the Far East, Australia and the Americas and are enjoying tremendous demand for their services.

A major factor in the company's success is the quality of their staff and the strength of their Sales & Marketing. In order to further this success, they are currently looking to make a number of senior level appointments to their expanding operations in Eastern Europe.

Applicants considered will be at least 35 years old, mature professionals with a background in Sales or Senior Management. They will have the ability to negotiate and impress at board room level and will demonstrate the highest levels of creativity and self-discipline.

The SALES CO-ORDINATOR will be able to train, motivate and develop a top level sales team in a rapidly developing and highly competitive environment.

The VICE PRESIDENT SALES will be capable of immediately taking responsibility for a major territory in Eastern Europe, using complete fluency in the local language required.

Previous experience in Consultancy will be of interest but is not essential. Potential earnings are extremely high indeed!!!

If you can be available immediately or in the near future and believe you are the right candidate for one of the positions above, PLEASE CONTACT LITCHFIELD ASSOCIATES IN THE NETHERLANDS ON WEONESOAY (19TH) OR THURSDAY (20TH) OCTOBER BETWEEN 9AM AND 4PM ON TEL 31-203-52666 or forward your curriculum vitae, in English to:

AECCO/FT/2294 European Recruitment Manager by, Litchfield Associates NV.  
Kruisweg 825A, 2132 MG IJsoord, Netherlands, Fax: 0111 2032 56737  
All applications will be dealt with in the strictest confidence. Please send the following reference on envelope and CV. COE/FT/2294 for the Sales Co-ordinator position and AE/FT/2294 for the Vice-President Sales position.

## EUROPEAN EQUITY ANALYST/ ASSISTANT PORTFOLIO MANAGER

City Salary: £Neg + Benefits

The Skandia Group is Scandinavia's largest insurance group, and has had an investment management house in London since January 1991. For the first 3 years we have concentrated on UK financial markets, but since January 1994 have expanded to cover some areas of Western Europe. Candidates should have 2-3 years relevant experience in financial markets and be in their mid-20s. They should possess a degree in economics or a numerate discipline. It would be an advantage if they had a working understanding of French.

She/He will be a member of a team to form strategy for investing in the UK, Switzerland, France, Italy and Belgium, duties will include research and recommending stocks, portfolio analysis, and liaising with brokerage houses.

Please reply enclosing full details to:

Mr Peter von Sivers  
Managing Director  
Skandia Investment Management Ltd  
Skandia House  
28 College Hill,  
London EC4R 2SE

**Skandia**

## APPOINTMENTS WANTED

### FUND MANAGER OR DEALER

Italian graduate, Master in Economics, speaks English and French. 3 years' investment management experience. Deep understanding of global equity markets, trained in international mining shares, will consider opportunities abroad. Write to: Box A2178, Financial Times, One Southwark Bridge, London SE1 9HL.

Japanese lady, diplomatic facility, covered top levels of Japanese business media appointments in the Japanese Embassy in London and financial houses. Educated Queen's College, fluent English, Japanese, good French and German. In house marketing experience and consistent record of achievement since working as a p.a. to the late Marquis de Lamoignon, Tokyo Olympic Games 1964. Immature availability, and schedule includes Christmas visit Japan. Can hold business, English cultural differences and yet as eyes and ears of Japanese personality and CEO. Please write FT add 6226.

## Brazilian Equity Sales Sales Executive

### Excellent Package

Sao Paulo/London

A leading investment bank in Brazil with a preminent position in Research/Sales of Brazilian equities is looking to recruit two salespeople to expand its coverage of investors in Europe. After a preliminary period of up to two years in Sao Paulo, the intention is to relocate the salesforce to London. The positions represent exciting opportunities for bright, energetic individuals who are keen to explore new challenges in this rapidly growing Latin American market.

### THE POSITION

- Market Brazilian equities to existing institutional clients in the UK and Continental Europe.
- Build and maintain new client relationships in these target markets. This will involve extensive travel.
- Arrange company visits in Brazil, as part of a comprehensive service provided for investors.

Interested parties should apply with a CV and current salary details to Hugo Eddis.

### THE REQUIREMENTS

- 3 - 5 years experience in research, sales or corporate finance in the UK or Continental European equity markets.
- Excellent financial analysis skills and the ability to communicate written research material effectively.
- Client driven approach, team spirit and the character to thrive in a multi-cultural environment.

K/F Associates, 252 Regent Street, London W1R 5DA, quoting reference 90797A.

**K/F ASSOCIATES**  
Selection & Search

## Are your compliance standards ready for the Halifax?

AIMING for leadership in the UK personal finance market, the Halifax Group is growing. To our existing brands, we will soon be adding our own life insurance and unit trust services.

To ensure that our customer service remains a competitive advantage, our compliance team, based at our Head Office in Halifax, is presently seeking new people of the highest calibre.

### Assistant Compliance Manager - Fund Management

YOUR role will be to provide compliance expertise within our fund management, unit pricing and related activities. As a graduate, you will have an appropriate professional qualification. You will also have at least three years compliance or similar experience within a fund management or unit trust management operation.

### Compliance Auditor - Unit Trust/PEP Management

YOUR principal role will be to ensure the highest standards of compliance are met by external suppliers of administration and related services. You should have a minimum of 3 years' experience gained in the audit or compliance monitoring of Unit Trust and PEP Management companies or through the management of third party administration relationships. You should also have a relevant degree or accountancy qualification.

In return, you will gain a unique opportunity to consolidate and extend your skills and experience. In addition to a competitive salary, we also offer performance-related pay, a contributory pension scheme, private medical insurance and a concessionary-rate mortgage. Where appropriate, relocation assistance is provided.

PLEASE write with your CV, quoting current salary details and indicating which position interests you to: the Manager (ref. HOP/CR), Halifax Building Society, Trinity Road, Halifax, West Yorkshire HX1 2RG.



HALIFAX is fully committed to equal opportunities for all.



## Executive Recruitment-Financial Services

Gemini is a young growing company here in the UK and part of a well-established group in the Pacific region. Our plans for further development into Financial Services lead us to seek several new members for our team.

You will either have current experience of recruiting in the sector or be considering a career move from Financial Services into Recruitment. We are particularly interested in people with Banking, Fund Management or Derivatives experience.

You will have a blend of professional skills and commercial acumen, the drive and tenacity to succeed in a highly competitive market, together with the ability to fit into a team oriented culture. We can offer a challenging role with a real opportunity to make a contribution at a critical stage of our development.

The package will comprise an attractive salary and performance related bonus. Please write in confidence to Lynne J A Stevens including current Reward details and a daytime telephone number at the address below.

### Gemini Executive Limited

St George's House, 24-28 Bloomsbury Way  
London WC1A 2PX  
Tel: 071 405 3358 Fax: 071 405 6155

HONG KONG LONDON KUALA LUMPUR

Competitive  
Salary  
plus Bonus

Central  
London



## FT/LES ECHOES

## MARCAM

The European Headquarters of one of the leading US software companies is expanding its already successful finance department with two key positions. These opportunities are based in either the European HQ in Paris or UK operation in Warwick.

## Business Controller

■ THE POSITION: Reporting to the European Financial Director, this operational job will provide you with a highly visible role in which you will be expected to take an innovative approach to change the business across Europe. As well as improving management reporting processes for the region.

■ THE CANDIDATE: Benefiting from at least 10 years in industry, you possess excellent communication skills and an operational approach to the financial control function.

## Financial Analyst

■ THE POSITION: Reporting to the Business Controller, you will be responsible for preparing the monthly consolidated, coordinating budgets, quarterly plans and management reporting across Europe as well as providing technical support to the European finance team in operating units.

■ THE CANDIDATE: After some 3-5 years' practice within accounting, you are looking to develop your skills in an international environment.

For both positions, candidates should be business school graduates or hold a professional accounting qualification, speaking English and preferably another European language. Please contact Elina DIMITRI on (33 1) 42 59 09 17 or send a full curriculum vitae, quoting the relevant reference, to NORMAN PARSONS, Elina DIMITRI, 6 rue Paul Baudry, 75008 Paris, France.

**Norman Parsons**  
GROUPE ROBERT HALF

WORLD LEADER IN FINANCIAL RECRUITMENT WITH OVER 160 OFFICES IN 3 CONTINENTS



# CORPORATE FINANCE

## "A partnership for success"

Charterhouse and its partners, CCF and BHP-BANK, have created the framework for a unique pan-European investment banking business. As a result, we are now ready to expand and strengthen our corporate finance department. We need new talent to help develop the partnership and plan our marketing activities to capitalise on the substantially increased market opportunities.

Our corporate finance department advises an increasing range of companies both in the UK and overseas in both M&A and general advisory capacities. Our aim is to build specialised teams of multi-skilled corporate financiers able to operate in a pan-European environment.

We are looking for outstanding individuals with one of the following backgrounds:

- Graduates who have completed a credit-based training programme with a respected investment bank (ideally US credit trained).
- MBA graduates with previous financial experience.
- Progressive young industrialists or managers with knowledge of their sector and market expertise to a wider corporate base.
- Recently qualified accountants or lawyers with strong commercial experience.

A high degree of numeracy and PC literacy, sound judgement, creativity and flair. A knowledge of Yellow/Blue Books is a distinct advantage.

Most important, however, is a track record of success and the proven potential to progress in a highly competitive environment. The remuneration package is attractive and potential rewards if successful, are substantial.

If you want to be part of our partnership then write enclosing a CV and current salary to Howard Hyman, Deputy Chairman, Charterhouse Bank Limited, 1 Paternoster Row, St Paul's, London EC4M 3JH. Initial interviews will be conducted through our retained consultant Janina Harper of Badenoch and Clark.

**CHARTERHOUSE**

Charterhouse Bank Limited, 1 Paternoster Row, St Paul's, London EC4M 3JH.  
Charterhouse Bank Limited is a Member of The Securities and Futures Authority.

## Institutional Equity Advisors

### Based in London

Bankers Trust Australia is the Nation's leading Investment bank. The Bank is renowned for its outstanding results and growth.

Our Equities division is seeking exceptional advisors for their London Equities Desk. As an advisor you will be dealing with Europe's leading Institutions, mediating with analysts and working in a highly motivated team environment.

The successful candidates will have suitable tertiary qualifications with appropriate equity and/or fund management experience, and be computer literate. Existing relationships with European Institutions would be viewed highly. Excellent communication and mediation skills are essential, along with strong team orientation.

To express your interest please fax or phone:

Jeannina Behrens, Executive Recruitment Manager,  
Bankers Trust Australia Limited  
Fax No: (02) 259 9860  
Phone No: (02) 259 3144.

**Bankers Trust Australia Limited**

## ANALYST/FUND MANAGER

"A rare and exciting opportunity for an experienced analyst to use his/her skills to focus on the growth markets of Asia"

Our City based client is an investment house managing international mandates for North American institutional clients. The company has enjoyed considerable growth in recent years and in line with continued expansion an analyst/fund manager is now required to strengthen the Far Eastern team.

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## ACCOUNTANCY

## Insolvency faces challenge of privatisation

Jim Kelly looks in detail at the Stoy Hayward report into contracting out the work of Official Receivers

The Stoy Hayward report on the future of the Insolvency Service has created considerable excitement among UK accountants, not least because the word insolvency concentrates the mind of the profession wonderfully.

Stoy's were asked last year by the Department of Trade and Industry to study options for privatisation of the service, which is a DTI agency dealing with financial failure and tackling fraud in insolvency.

The conclusion of the report, to contract out part of the service to the private sector, if backed by ministers and sanctioned by parliament, will determine the future of insolvency practice and contribute to the debate on contracting out in government services.

The latter generated over the 'publication' of the report has been exacerbated by difficulties in obtaining the document and the understandable anxieties of those whose livelihoods may be at stake.

The report has been lodged in the House of Commons library and is now being considered by the Department of Trade and Industry. Meanwhile, the Deregulation and Contracting Out Bill, which would enable the contracting-out option identified in the report to go ahead, is being debated by the Lords.

While the government may well see this as an example of due process, others harbour suspicions that the die has already been cast. Indeed, Michael Heseltine, trade and industry secretary, has instructed officials to prepare the ground for the preferred option. That option is simple. The report recommends that the private sector, in the guise of Licensed Insolvency Practitioners (IPs), should take on cases normally dealt with by Official Receivers after a court order has been made - in other words at the start of the process.

The arguments for contracting out are strong. They centre on the need to improve efficiency by cutting costs, and the desirability of shifting so-called clerical duties away from the Official Receiver. This would leave the service free to pursue malpractice and fraud, and protect the public.

Stoy's estimates that opening up the business for competition would, under the preferred option, mean putting out tenders for work which currently costs the Insolvency Service £31m a year.

IPs already deal with the more lucrative voluntary liquidations which make up about 60 per cent of all failures. There are about 2,000 licensed IPs and most are accountants. The Licensed Practitioners

Association estimates that 600 of these form an active core group. There are between 100 and 200 firms scattered across the country with an IP partner, while an average Big Six accountancy firm might have 45 IPs.

Stoy's admits that the preferred option is a "challenging option". It does in fact contain inherent potential problems. For example, its most vital element, the level of fees charged, will have to be tested in a pilot tendering scheme.

The report concludes: "Definitive testing can only be achieved by proceeding to a formal tendering exercise which involves the preparation of detailed specifications and the issue of invitations to tender."

It recognises that taking the preferred option would mean IPs becoming involved in the preparatory work of cases which might end in prosecution. How effective would investigations be if started in the public sector but finished in the private sector?

Stoy's conclusions are blunt: "If this interface does not work well, the investigations of the OR would be impaired."

The report also notes IPs would have a "substantial role" in setting standards and monitoring them even within their 'clerical' duties. As one IP points out, in the eyes of many

who have spent their careers working in insolvency, this would be like privatising part of the judiciary.

At the heart of the report is the issue of fees. Unfortunately two volumes of information collated by Stoy's have not been published with the main report.

This is, understandably, due to the sensitive competitive nature of the information. But there are plenty of clues.

Stoy's approached 78 potential clients and obtained quotes from IPs which were close to the costs currently incurred by the service. "In discussions some IPs expressed the belief that they could get below the Official Receiver's current costs. This gives confidence that, under formal tendering conditions in an open market, fees per case could be driven down to levels which would deliver value for money," says the report.

Under the preferred option Stoy's estimates that in a company failure in London the insolvency service's remaining work on the case would cost £1,449 - leaving the cost of the work left to contractors at £2,746. In the provinces the costs would be £1,357 and £2,268 a case.

Many smaller IPs are worried that if they could not undercut bigger rivals, especially from the Big Six firms,

during the first tendering round, they might not have the staff or resources to enter the battle when contracts are again put out for tender. Because the fees would be on a per case basis, volume is crucial.

There are also worries that a per case culture would reduce the ability of the service to spot fraud and malpractice. At present the Official Receiver faced with a heavy case load can choose to divert resources to cases which appear to merit attention.

While this is said to be an example of a flexible system based on judgment, some argue that a standard fee per case system in which all cases would be given equal time would be more equitable: especially to the creditors who might get some return from the liquidation.

The problem here is that the Official Receiver can shuffle the case load and keep overall costs down. A system based on standard per case fees would become extremely costly if the case load went up. When tendering begins the government would have to set out its criteria and the resolution of the quantity/quality argument would be crucial.

One other issue requires clarification. Many IPs want to know whether, if involved in

original casework, they would be barred from acting as liquidators in those cases where companies were found to have significant assets. The Stoy Hayward report says: "There may be charges of an unfair advantage for contractors in cases which are found to have significant assets."

There is as yet no news from the DTI about what direction it intends to take. Its initial response suggests a strong commitment to carry reforms forward into a pilot tendering process at the very least.

Those who are likely to lobby against the preferred option do have a vested interest. The Insolvency Service and its 1,500 employees are suspicious of the proposals and union representatives predict job losses and closures. Independent and small firm IPs so far see the option as providing an opportunity for the Big Six to move in on the new business, and gain a position which might threaten their existing business.

The government will have to judge the benefits of contracting out and in particular the increased effectiveness of investigations undertaken by the Official Receivers.

It has promised to canvass all Official Receivers. Although normally reticent, they have an opportunity to speak and their response will be crucial.

Central &amp; Cecil Housing Trust

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## Conclusion

Roles like this one do not come up very often, and the chance to build a credible case to become Head of Group Tax for a group like Reuters is a quite exceptional opportunity. To pursue this further, make a case to our advising consultant, Hamish Davidson at Price Waterhouse quoting reference M/1485/FT and convince him that you can deliver.

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- Overseeing the European consolidation for the Capital Markets division.
- Extensive liaison between US Head Office and European Offices on all financial accounting issues.
- Provision of expert advice on accounting policies and procedures.

- Ad hoc projects.
- Management of a high calibre team.

The successful candidate will be an ACA with a minimum of four years PQE, preferably within the financial services sector. You will possess a strong financial accounting background and have had extensive capital markets, UK and US GAAP exposure. Candidates will demonstrate the level of management and interpersonal skills, flexibility and performance orientation required for a position of this seniority, and will possess the potential for further career progression within Merrill Lynch.

This represents an outstanding opportunity to join a highly prestigious organisation.

If you believe you have the required skills and drive, then please send your CV to the advising consultant, Jonathan Kidd, at Harvey Nash Plc, Dragon Court, 27-29 Macklin Street, London WC2B 8LX. Tel: 071-333 0033. Please quote reference number HNF112.

**HARVEY NASH PLC****ELIT  
FINANCIAL CONTROLLER**

Promotion to Director will follow a successful working period when you will have demonstrated to the Board of this International Menswear manufacturing, trading, and retailing group that you are a practical accountant, manager and leader. Your tasks will include the normal accounting duties at group and subsidiary levels as well as frequent travel to our manufacturing operations in Hungary where you will coach the accounting staff to achieve and understand current Western financial and management accounting standards. Spoken Hungarian would be useful, as well as expertise in the provision of management information from flow line manufacturing.

We offer a competitive remuneration and benefits package. It is unlikely that the successful candidate (qualified through ICAEW or CIMA) will currently be earning less than £35,000.

Please send your CV in an envelope marked 'FC' in the top left corner to:-

Jonathan Ward  
Elit International Limited  
Cavendish House  
128 - 134 Cleveland Street  
London W1P 5DN.

**LEADING US INVESTMENT BANK****CITY****AUDIT MANAGER / SENIOR AUDITOR****EXCELLENT PACKAGE**

An exceptional individual is sought for one of the most prominent areas of this Global Bank. As part of a specialist team based in London, this is a highly visible role, where your success will depend upon your ability to build strong relationships with senior management. In short, you will be a catalyst for change and development.

Your responsibilities will include:

- The planning, conducting and completion of

operational and financial audits of treasury, derivative and capital market activities.

- The analysis of products, trading strategies, markets and counterparties especially in the areas of market risk and credit risk.

To be considered for this first class opportunity, you will be able to demonstrate exceptional interpersonal skills, including a strong academic background with postgraduate

qualifications (MBA, ACA, ACCA, ACT) combined with a minimum of 3 years audit/accountancy experience gained in a banking environment or in a Top 6 practice.

Interested candidates should telephone Gavin Bonnet on 071 379 3333 (Fax: 071 915 8714) or write enclosing a detailed CV to Robert Walters Associates, 25 Bedford Street, London WC2B 9HP.

**ROBERT WALTERS ASSOCIATES**

This is a Director Designate position which will appeal to a business minded, qualified accountant who is looking for a real career opportunity. Our client is a profitable £10 million division of a manufacturing group which has ambitious plans for the future.

**Financial Controller****NORTH WEST • CIRCA £30,000 + BONUS + CAR**

Managing a small finance team, the successful applicant will have a practical, hands-on approach to day to day accounting, particularly whilst learning the business and prior to taking on a more proactive senior role. Ultimately, the appointee will be expected to provide sophisticated and professional financial advice covering all manufacturing and operational aspects to the Board.

Qualified candidates, probably in their late 20's/early 30's, must be computer literate as the role also has responsibility for controlling and, where possible, improving the division's sophisticated computer systems. Ideally from a manufacturing background, the most important aspects of the job relate to commercial mindedness and the strength of personality to make an impact in an exciting and fast moving environment. The excellent remuneration package includes a prestigious car, bonus, private medical cover and, where necessary, assistance with relocation.

Interested applicants should send a detailed CV or ring for an application form on 0625 533364 (24 hours) quoting reference 2280/FT.

**WICKLAND WESTCOTT**

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The senior financial position in a changing £100 million business

**Financial Controller****£35,000 - £40,000 & benefits - Farnborough**

The ORA is the prime research agency for the Ministry of Defence and, increasingly, leading commercial organisations. As a dynamic business that combines scientific excellence with strong commercial acumen, ours is a uniquely exciting environment in which to work. We are now looking to appoint a high calibre, commercially focused Accountant to the role of Financial Controller for a service sector of the DRA with a turnover just under £100 million.

Managing a small team and reporting to the Director, you will be responsible for financial management, reporting and control, and will strongly influence the rapid development of a commercial culture. In the climate of change you will be pivotal to the development of a complex business, so your financial skills, which should include strong modelling experience, should be complemented by a tactful but persuasive approach to the issues facing this sector.

A qualified Accountant of graduate calibre with at least five years' post qualification experience in a commercial environment, your record of achievement will demonstrate your energy, your focus on achievement and your readiness for a new and demanding challenge.

We offer a comprehensive benefits package including non-contributory pension scheme, performance related pay, relocation assistance and up to six weeks' annual holiday plus Bank holidays. The appointment is for a fixed term of three years and may be extended to five years.

Please send your CV together with a letter explaining how your skills and experience would suit you to this role, quoting reference DRA/PERS/1494, Senior Staff Personnel, Room 114, Q101 Building, Defence Research Agency, Farnborough, Hampshire GU14 6TD. Closing date for receipt of applications 3rd November 1994.

**DR**

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## OPERATIONAL REVIEW

### Emerging Markets and New Products

#### U.S. Investment Bank

The reputation of this organisation as one of the world's leading investment banks and securities houses, has been achieved through constant innovation and development of new products. Most recently, its investment into emerging markets has met with outstanding success, particularly in the rapidly expanding Eastern European region.

The global audit function has been challenged with the brief to play an integral part in supporting these new business initiatives, which has created an opportunity for an experienced audit professional to join the European audit team at Vice President level.

Based in London, your role will be to manage small teams, performing critical and constructive pre and post implementation reviews of all new business proposals across Europe. The scope of these reviews will include trading strategy; capital adequacy; operations; legal & compliance and financial systems. A sound business acumen and understanding of these inter-related elements

is therefore required, as is the ability to focus clearly on objectives; business and operational risks; making appropriate recommendations and effecting change. The work is immensely challenging and dynamic in nature, therefore enthusiasm, self motivation and imagination are undoubtedly more important than purely technical ability.

Candidates should be qualified ACA's with at least four years relevant post-qualification experience gained in another securities environment or, from a financial services group within the profession.

The significance of this position cannot be underestimated. A highly competitive remuneration package is therefore on offer and career advancement within the group is assured upon success.

For further information in the strictest confidence, contact Tim Musgrave on 071 240 1040. Alternatively, send your resume quoting reference number 22/1834 to Morgan & Banks Plc, Brettenham House, Lancaster Place, London WC2E 7EN. Fax No: 071 340 1052.

c.£55,000 + bonus

**Morgan & Banks**  
INTERNATIONAL

## FINANCE MANAGER

#### West London

£35,000 + benefits

Our client operates within the retail sector with many sites throughout the UK. Having achieved phenomenal expansion over the last few years the company is now at an extremely exciting stage of its growth.

As a direct result of these developments a Finance Manager is now sought to work with the very strong existing management team. The role will report to the Finance Director and will drive forward the management of the finance function.

Objectives will include the production of financial and statutory accounts, budgets, forecasts and variance analysis. Furthermore the appointee will drive the management of organisational and system improvements to meet the changing needs of the business.

Candidates, aged late 20s/early 30s, should be qualified accountants with sound technical skills coupled with a strong commercial attitude. Previous experience within fast moving, retail organisations will be essential. Candidates must be enthusiastic, able to work as a team player and bring commitment to build on the company's achievements to date. This is a first class career opportunity.

Please write enclosing full curriculum vitae quoting ref 630 to:  
Philip Cartwright FCMA, Riverbank House, Putney Bridge Approach,  
London SW6 3JD Tel: 071 371 9476 Fax: 071 371 9478

**CARTWRIGHT CONSULTING**  
FINANCIAL SELECTION & SEARCH



**Inchcape**

## MANAGER - INTERNATIONAL TAX PLANNING & PROJECTS

#### LONDON

#### SUBSTANTIAL PACKAGE

With operations in over 80 countries and a turnover approaching £60m, Inchcape plc is a premier international services and marketing group. The group's activities are divided into three global business streams: namely Motors, Marketing and Services.

In response to the increasing complexities of their international business, a challenging new position has been created to increase emphasis on international tax planning and corporate finance projects.

Principal responsibilities for the successful individual will be:

- to develop and implement international tax planning in a

complex group of companies worldwide

- to provide the tax input for corporate finance projects and work as part of the team managing those projects
- to play an active role in group financing initiatives by implementation of tax efficient funding structures.

It is envisaged that the successful candidate will be:

- a graduate Chartered Accountant with a minimum of four years post qualification experience working in international taxation, either within a major firm of accountants or in a leading

commercial multi national organisation.

- an exceptional communicator, able to convey complex financial strategies and policies clearly to senior management
- highly commercial in outlook with the drive and tenacity to succeed in a stimulating and demanding environment

Clearly a most attractive opportunity, suitable candidates should

contact David Burton on 071 379 3333, or send a detailed CV to him at Robert Walters Associates, 25 Bedford Street, London, WC2E 9HP. Fax: 071 915 8714.

**ROBERT WALTERS ASSOCIATES**

## FINANCIAL CONTROLLER

required by a large theatrical production company producing extensively in Britain and throughout the world.

This role is seen very much as "hands on", supervising the Finance Department and working closely with them on the daily and weekly management of the company's financial affairs.

This position requires an exceptional communicator as a key aspect of this role will be reporting regularly to the Managing Director.

The successful applicant will most likely be between 25-35 a qualified accountant and looking for exciting challenges.

Salary circa £25,000.

West End office.

Applications, in confidence, to Box A2177,  
Financial Times, One Southwark Bridge,  
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## REGIONAL CONTROLLER-EASTERN EUROPE

**CZECH  
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ROMANIA  
RUSSIA**

**Excellent  
Package**

Our client with a turnover in excess of \$2.5 billion, is widely recognised as the market leader in its specialist field. With operations in all the continents and a customer base comprising many of the world's largest and most prestigious corporations, they are able to bring a truly global perspective to their business.

As a forward thinking and progressive organisation, an exceptional opportunity has now arisen for an outstanding high profile controller to lead, impact and drive forward the Eastern Europe region. Reporting to the Regional Director, your varied brief will include developing a team of professionals capable of maintaining quality financial information as well as working to tight stringent deadlines. In addition, you will be responsible for strategy implementation, long term planning and other commercial issues. For this key high-profile role, the successful candidate will meet the following criteria:

- a qualified graduate ACA/CIMA/CACA
- commercially astute and able to see the 'big picture'
- strong interpersonal skills and the ability to manage and motivate a high calibre team to agreed objectives
- fluency in one or more Eastern European languages
- willing to travel up to 40% of your time

This represents a unique opportunity to immediately impact within a dynamic multinational group and is likely to be of interest to commercially minded finance professionals. Energy, creativity and flexibility are all qualities which will enable you to capitalise on the outstanding long-term career opportunities that exist within this group.

Interested applicants should write in confidence to **Reeta Nathwani**, quoting reference number 2098 at Nicholson International (Search and Selection Consultants), Bracken House, 34-36 High Holborn, London, WC1V 6AS. Alternatively fax your details on 071 404 8128 or call 071 404 5501 for an initial discussion.



**NICHOLSON  
INTERNATIONAL**  
UK

France Italy Holland Spain Germany Belgium Turkey Poland Czech Republic Hungary Romania Russia Australia

## FINANCIAL CONTROLLER

£27,613 - £33,049

The Diocese has a budget of over £30 million a year, extensive property interests, 412 parishes and 580 Salaried Clergy. We seek to utilise our resources to exercise pastoral care and support to these parishes which serve approximately 3,500,000 people in an area roughly corresponding to the old County of Middlesex. Our recent relocation to new purpose built accommodation has created the opportunity of bringing together a number of essential support activities. This includes financial management which has previously been handled by individual departments.

Reporting to the General Secretary, the Financial Controller position is a new and challenging one and requires the consolidation and development of all diocesan finances, ensuring the provision of a professional and top-quality accounting service. This varied central management role will be responsible for preparing annual reports, accounts and budgets; running an efficient treasury operation, carrying out financial transactions and providing financial management information to the Boards and Councils of the Diocese. Other duties include overseeing the administration of the Trusts department and effecting appropriate dispositions of investment and property assets with the help of the Diocese's Asset and Treasury Management Review Groups.

To meet the demands of the role you will need to be a qualified accountant with proven financial management skills and the ability to communicate effectively in the written and spoken word. Applicants should be communicant members of the Anglican Church.

An application form and job description may be obtained from Mrs D Eakins, PA to the General Secretary, Diocese of London, 36 Causton Street, Westminster, London, SW1P 4AU. (Tel 071-932 1100).

Closing date for applications 21st November 1994.



**DIOCESE OF LONDON**

## Finance Director

Build the Framework for Performance and Growth with a Media & Communications plc

The company is a young and rapidly expanding communications business with subsidiaries involved in advertising, contract publishing, sales promotion and direct marketing. Having doubled its size and turnover in the last year alone, it is determined to maintain its growth by combining outstanding business performance with further acquisitions in the media and communications industry.

As Finance Director, you will have a major influence on both our operational and strategic development - a challenge that will involve overall responsibility for all financial matters within the group and its eight subsidiary companies.

Apart from ensuring the efficiency and consistency of internal reporting controls, you will be closely involved with managing our relationship with the City and ensuring compliance with Yellow Book regulations and the Cadbury Report. You will evaluate possible acquisitions using your financial and business expertise,

present data to institutions and the financial press, and recommend innovative deal structures where appropriate.

A fully qualified Chartered Accountant, you must combine a thorough understanding of the media and communications industry with keen commercial awareness and - ideally - some experience with a plc. A sound knowledge of how the City works is essential, and your excellent communication and influencing skills must be supported by practical experience of the acquisitions process. Above all, you must have the drive and determination to help shape the future of a growing £35m turnover group.

In return, you can expect an attractive salary and benefits package including a company car allowance, health cover, pension, and share options. To discover more about this highly influential role, please send a detailed CV to Moxon Dolphin Kerby 178-202 Great Portland Street, London, W1N 6JJ. Please quote ref 4580.

**MOXON DOLPHIN KERBY**

EXECUTIVE SEARCH & SELECTION

#### APPOINTMENTS WANTED

#### GERMAN QUALIFIED ACCOUNTANT

8 years experience in England as financial/Management Accountant. 2 years contract work for English companies in Germany, seeks new assignment with international company. Short/long term.

Please contact:

0272 730688 (England)

#### CHARTERED ACCOUNTANT SOUTH AFRICA

C.A. based in S.A. with 15 years experience. Looking for financial position with company or to carry out specific projects. Company start-ups/relocations

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## Management Accountant

Cheltenham c. £37,000 + car + benefits

CAMAS plc was formed as a result of the demerger from English China Clays Plc earlier this year, and ranks amongst the top 250 Stock Exchange listed companies in the UK. The company has a current turnover of c. £400m and employs over 4,500 people with operations in the UK, North America and Europe.

Following recent promotion, there is a need to recruit a qualified accountant to fill the key role of CAMAS Management Accountant. Reporting to the CAMAS Finance Director and having close interface with the Board, the postholder will also be required to liaise closely with senior financial staff in each operating business, in order to produce an accurate analysis of CAMAS performance. This proactive role requires an individual with proven technical and interpretive skills who is able to take a strategic overview of each business in order to influence the budgetary and planning procedures. Other responsibilities will include maintaining an awareness of developments in management accounting and ensuring best practice throughout CAMAS plc.

This is an excellent career opportunity for an ambitious, qualified accountant, probably aged between 28 and 35, who is keen to move into a high profile role. The successful candidate is likely to be operating in a management information role, supporting commercial management in a multisite, public company. You should possess first class communication and interpersonal skills, combined with an analytical and results driven personality. The role will necessitate considerable travel to the operating companies both in the UK and abroad.

In return CAMAS plc offers an excellent remuneration package, including generous relocation assistance where appropriate.

If you have the skills, experience and ambition to succeed in this fast moving organisation, please send a comprehensive CV including current salary package, to Karen Paige, KPMG Management Consulting, Richmond Park House, 15 Pambroke Road, Clifton, Bristol BS8 3BG. Telephone (0272) 464042.

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## GROUP ACCOUNTANT

**c.£35k Package + Car + Benefits**  
**Marlow, Bucks**

HMV is the fastest growing international music retailer in the world, doubling our turnover by organic growth in the last three years. We are the market leaders in terms of retail innovation and customer acceptance. Due to promotion, we now seek an accountant under 30, to work within our small but dynamic Group Headquarters.

Reporting to the Group Finance Director in this high profile and varied role, responsibilities will include Group management and statutory reporting as well as the integrity of Group accounting procedures and policy. In addition, the appointee will be involved in projects and audit reviews across the business.

To be considered for this role you should:

- Be a graduate, qualified accountant with an additional 2-3 years retail/finag commercial experience
- Have strong interpersonal and communication skills
- Be PC literate and possess system development aptitude
- Be willing to travel internationally 6 weeks per annum

Please apply in writing, enclosing a full CV, to our advising consultant Sheldon Paule at Anthony Dunlop, Hanover House, 73-74 High Holborn, London, WC1V 6LS.

Tel No: 071 430-2220 Fax No: 071 404-2199.



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## FINANCIAL CONTROLLER

**North London £35,000 package + car**

Our client is an extremely successful and well respected plc within its field. Innovative design, strong management and effective financial control have all contributed to the Company's growth (a turnover of nearly £40 million) and to a five year pattern of increasing profitability.

As a direct consequence of its success, a new division is to be established to control the group's operations within North London. An opportunity therefore exists for a Financial Controller, reporting directly to the Divisional Managing Director, to set up and manage the finance function of the new division within the umbrella of established group systems.

Candidates, aged early 30's, should be qualified accountants able to fit in with a vibrant management team and make an immediate contribution to the company. Good presentation skills and technical strengths are vital in addition to bringing sound commercial decision making ability to this exciting growth orientated group.

Please write enclosing full curriculum vitae quoting ref 631 tv.  
Philip Cartwright FCMA, Riverbank House, Putney Bridge Approach,  
London SW6 3JD Tel: 071 371 9476 Fax: 071 371 9478

**CARTWRIGHT CONSULTING**  
FINANCIAL SELECTION & SEARCH

## FINANCE DIRECTOR

**East Anglia**

With sales of c.£45 million, this successful book manufacturer, part of a major, blue-chip printing plc, is a market leader in the printing of all kinds of paperback and hardback books. Continued increases in market share have been achieved through investment in technology, total commitment to customer service, and an astute, commercial approach by an assertive and focused management team.

Reporting to the Chairman/Chief Executive, and working closely with senior Directors and Managers, you will take functional responsibility for all aspects of financial and management reporting. This is a high profile role - it demands the provision of quality management information with the emphasis on a proactive input to operational and strategic commercial decisions.

Probably in their 30s or 40s, applicants must be

**c. £45,000 + bonus + car**

qualified accountants, of graduate calibre - maybe with an MBA. A background in service led, manufacturing organisations is preferable together with a thorough understanding of costing and product pricing. Excellent communication skills are needed with the ability to bring innovative solutions to optimise profitability and shape strategic decisions.

Career prospects within the group are excellent.

The comprehensive remuneration package will include relocation assistance where necessary. Interested applicants should send a comprehensive CV including salary history and daytime telephone number, quoting reference 3418 to Philip Price ACA, Touche Ross Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NP.



MANAGEMENT CONSULTANTS

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## Financial Analyst N. London

As a main operating division of Hanson Plc, Hanson Industrial Services is a group of highly focused businesses, each a market leader in its field. A dynamic management team coupled with a highly acquisitive growth strategy has been effective in producing a number of attractive business opportunities. The result is an environment which is both competitive and entrepreneurial.

There now exists the need to augment the divisional head office team with the appointment of an exceptional Financial Analyst. This high profile role offers immediate exposure to both Managing and Finance Directors of operating subsidiaries and will report directly to the FD of the division.

Responsibilities will include:

- Reviewing divisional data including trading, capital expenditure proposals, budgets, current year forecasts and organisational issues.
- Review of acquisitions and divestments.
- Aiding in the integration of acquired companies.



## Exceptional ACA Aged 25-28

- Preparation of commentaries and analyses on projects of major strategic importance.
- Acting as a No.2 to the Finance Director.

This opportunity will appeal to individuals who fulfil the following selection criteria:

- Qualified Chartered Accountant, aged 25-28.
- Outstanding and consistent level of high academic achievement.
- Committed, energetic and flexible approach with the ability to liaise with managers at all levels.
- PC literate.
- Evident commercial awareness and ability to add value.

The rewards include an attractive remuneration package, company car and the opportunity to develop an outstanding career in a highly meritoric environment.

Interested applicants should write in the strictest confidence to our retained consultants Brian Hamill or Paul Marsden, forwarding a brief resume quoting reference B11063. All direct applications will be forwarded to Walker Hamill.

**WALKER HAMILL**  
Executive Selection

103-105 Jermyn Street, St James's, London SW1Y 6EE  
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## CFO & Finance Director

**Russia**

**CFO  
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US\$125,000**

**FD  
Package to  
US\$100,000**

**The Company**  
With Russian operations for this strategically focussed company now accounting for some of this client's most profitable business units world-wide, this Nasdaq listed telecommunications organisation is licensed to operate in over ten densely-populated areas with either functioning businesses or developed start-up infrastructure. Future expansion is assured with a US\$multi-million investment targeted to developing markets and a active policy of new operating licence acquisition.

### The Roles

#### Chief Financial Officer

Reporting into the Western head office you will have direct financial control over the following functions: Billing and collection, accounts and sales & marketing. Based in Moscow, you will manage existing and planned business units throughout Western Russia, producing a monthly financial report overview for the board. Importance is placed on the ability to assimilate changes in local tax and accounting regulations and develop strategies to benefit the long-term goals of the business. You will be integral in developing financial systems and ensuring the efficiency of your multi-cultural team.

#### Finance Director

Your task is to ensure adherence to the company's Business plan in line with local tax/accounting conditions with specific responsibility over billing and collection, supervision of local staff, currency exchange transactions and management reporting for your profit centre.

### The Candidates

Of equal importance to solid technical skills is the requirement for commercially astute individuals. These qualities, once combined with the resilience to thrive in a rapidly developing market place, will contribute fully in a very exciting environment that will provide not just a project, but a career. Russian language will be a distinct advantage although individuals currently successful in the region or with an in-depth cultural understanding are encouraged to respond.

Please send a full resume with covering letter to the address/fax below quoting reference FT2440 (CFO) or FT2441 (FD) on all correspondence. Applications will be treated in the strictest confidence.

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## Financial Planning & Analysis Manager

**c.£40-45,000 + Bonus + Car**

**Central London**

**Key role in the management of the UK business within  
prestigious, global direct marketer and publisher.**

### THE COMPANY

- Innovative and highly successful. World class reputation for quality.
- Autonomous subsidiary of a major US multinational.
- Strong brand image and product range.

### THE POSITION

- Responsible for provision of accurate and timely forecasts, plans, budgets and analyses, supporting the decision making process.
- Identify, develop and implement systems enhancements. Improve planning models and integrate financial systems.

- Liaise extensively with marketing product groups and finance. Develop and provide leadership and focus for a team of 10+.

### QUALIFICATIONS

- Qualified chartered or management accountant. Minimum 5 years' planning and analysis, ideally in high volume, consumer focused environment.
- Extensive, hands-on experience using and implementing new systems. Strong marketing orientation.
- Excellent interpersonal and communication skills. Proven line management ability.

Please send full cv, stating salary, ref N4131, to NBS, 54 Jermyn Street, London SW1Y 6LX

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Manchester 0625 519953 • Slough 0753 818227

## Management Accountant

**Croydon area**

**c.£35,000 + car**

Successful publishing group with an eight-figure turnover and international interests seeks to restructure finance team ahead of Controller's retirement. The new job will focus on financial analysis, computer systems enhancement, tax matters and special studies for the UK board. The job should expand in 1995.

Applicants should be 32 (for experience) to 48 (for development plan), qualified accountants and graduates (or with evidence of high intelligence and application). They must also be constructive computer users with spreadsheet experience, good exposure to corporate tax and excellent communications skills.

Apply to **John Courtis FCA, MIPD** at C&M,  
72/75 Marylebone High Street,  
London W1M 4AJ demonstrating  
how you meet these criteria,  
stating latest salary, enclosing CV  
and quoting 7338/FT.

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Search and Selection

## CHIEF ACCOUNTANT - GENEVA

The World Council of Churches, Geneva, seeks Chief Accountant - fully Qualified and experienced in computerised accounting and sympathetic to the Council's ecumenical calling. Monthly salary range from CHF 8210.

Further details from the Director of Personnel,  
WCC, 150 Route de Fentey, PO Box 2100,  
1211 Geneva 2, Switzerland  
(Fax: 022 791 0361).

Closing date will be December 31, 1994

## INTERNAL AUDIT CONTROLLER

**c.£35,000 + CAR**

**NORTHAMPTONSHIRE**

Our client, a major UK food manufacturer and packer, is seeking a qualified Accountant to establish and lead the internal audit function. The Company is presently undergoing a period of extensive change involving significant investment in plant, equipment and people and has identified the need to establish a proactive internal audit function to support the development of the business.

Reporting to the Finance Director you will be responsible for carrying out full operational audits of existing systems, structures and procedures. Communication skills are key as a considerable amount of time will be spent with managers and directors reviewing systems and following up recommendations. Significant experience of computer audit and a good operational understanding of computer systems are pre-requisites. Attention to detail is also critical as you will be responsible for ensuring the static data base on the newly installed computer system is accurately maintained by users.

You should have had at least five years' post-qualifying experience. The level of knowledge and understanding of operational issues which this role demands will almost certainly have come from a significant period in the manufacturing industry. As this is a senior level appointment, well developed influencing skills combined with the ability to work independently and under pressure are essential.

In return you can expect an excellent benefits package which includes relocation assistance.

If you feel you have the experience and skills we seek, please send a full CV to HB Advertising, 18-19 Bennetts Hill, Birmingham B2 5QJ.



ADVERTISING



## Financial Controller

+/- £45K/375KF + Prime + Voiture Sud de la France

Notre client, une multinationale britannique en pleine croissance ayant des opérations dans le secteur tertiaire présent dans le monde entier, recherche un Comptable qualifié opérationnel ayant un sens aigu des affaires et, idéalement, avec de l'expérience liée aux services multi-sites.

Travaillant au sein d'un réseau européen, vous serez en charge des contrôles et rapports financiers pour les opérations françaises et contribuerez à leur croissance planifiée dans le Sud de l'Europe. Il vous faudra allier une approche de terrain vis-à-vis des problèmes financiers et de contrôle au quotidien avec une capacité à fournir eux cadres supérieurs des informations financières significatives et opportunes. De plus, vous servirez de conseiller local fournissant des conseils commerciaux objectifs et passant en revue des plans commerciaux.

De niveau grande école de commerce et idéalement avec une expérience professionnelle appropriée, vous devriez avoir au moins 3 ans d'expérience commerciale et

connaître les exigences en matière de rapports de sociétés et statutaires. Il est essentiel que vous parliez couramment l'anglais et le français commerciaux, que vous ayez les qualités de leadership nécessaires pour gérer la fonction finance et que vous ayez de fortes qualités interpersonnelles vu l'environnement multi-culturel dans lequel vous travaillerez.

Notre client investit énormément dans son personnel et peut proposer de vraies opportunités de développement de carrière dans tout le groupe. Les avantages comprennent: un plan de primes liées à la performance, une retraite, une assurance-vie et une aide au déménagement, si nécessaire. Veuillez envoyer votre curriculum vitae en anglais, reprenant les détails complets de votre rémunération au Confidential Reply Supervisor, Nicholson-Martin, 31 Bedford Square, London WC1B 3SG. Toutes les candidatures seront transmises à notre client, de ce fait veuillez indiquer sur une feuille séparée les noms des sociétés auxquelles vos détails ne peuvent être envoyés.



## Finance & Compliance Officer

City £35-£40,000

Our client is a Far East securities company which is part of a major group with diverse interests in industrial, commercial and financial markets. Its London office was established in 1989 and with the increasing internationalisation of capital markets there now exists a need to recruit a Finance & Compliance Officer.

The successful appointee would be responsible for ensuring the smooth running of back office operations, in accordance with current legal and professional requirements, ensuring that the operation complies with all relevant legislative requirements as set out by SFA.

The post would therefore suit a qualified accountant with more than three years' experience in the compliance field and who has preferably worked within a multicultural environment. Key personal qualities are first class administration and communication skills, the experience and maturity to help establish a new operation and willingness to adopt a practical hands-on approach. Age will not be a limiting factor and the position could suit a mature candidate looking for a long term career move.

Please write, in confidence, enclosing full career and salary details to Tony Saw at the address below, quoting reference F2010.



Selection & Search

1-2 Dorset Rise, Blackfriars, London EC4Y 8AE

## Financial Controller

Central London

£45-60,000 + Benefits

Our client is a highly profitable, £80 million turnover UK subsidiary of a market leading European public corporation, which provides a broad range of engineering services to a diverse portfolio of international blue-chip customers.

Reporting to the UK Managing Director and the Group Finance Director, the Financial Controller will be responsible for the provision of the highest quality technical and commercial support on all UK company financial matters. This will include analysis and interpretation of operating results, strict working capital control, business planning and leadership of a small accounts team. Critical to success will be the ability to develop strong working relationships with the Group

Directorate as well as operational management in the UK.

Candidates, aged 30-45, will be qualified accountants with a proven record of senior financial management experience, preferably gained in an international, contract-driven environment. However, the overriding criteria will be the possession of strong technical ability, excellent interpersonal skills and a working knowledge of the Italian language.

Interested applicants should forward a comprehensive CV, quoting ref 206743, to Mark Hurley ACMA, Executive Division, Michael Page Finance, 39-41 Parker Street, London WC2B 5LH.



Michael Page Finance

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Nottingham Manchester Leeds Glasgow Edinburgh & Worldwide

## International Tax Manager

Paris

£ Excellent

Our client is a recognised leader in the field of global telecommunications and information processing applications. The Company operates one of the world's largest private data communication networks.

An outstanding opportunity has now arisen for a bright international tax adviser to join the company's dynamic Group Tax Affairs team located in Paris. Reporting to the Group Tax Manager, the successful candidate will be expected to work autonomously and be a self-starter. As a manager responsible for the tax matters of a range of projects, your key responsibilities will include the ability to work on a wide variety of tax issues, including both direct and indirect taxes

worldwide. Candidates should be graduates with three to five years post qualifying international tax experience in an accountancy firm, international law firm or in commerce/industry. In addition to strong analytical and technical skills the successful candidate must have a confident and direct approach and an ability to work well within a small team. Knowledge of French/other languages would be an asset.

Interested applicants should forward a comprehensive CV and salary expectation, quoting ref: TM10869, to Thierry Montecatini, Michael Page, 3 boulevard Bineau, 92300 Levallois-Perret, Cedex, Paris, France.



Michael Page International

International Recruitment Consultants  
London Paris Amsterdam Düsseldorf Frankfurt Hong Kong Sydney

## BUSINESS manager GLOBAL

Surrey based

From £40,000 + car + benefits

Operating globally, this multi-billion British group has a world class reputation in a diverse range of business activities. With an impressive history of innovation, they are committed to maintaining and sharpening their competitive edge, and can offer an outstanding opportunity to a highly professional business manager. Providing a total review of the group's disparate commercial activities, from profitability and competitive-edge to economic and environmental issues, you will be liaising with Directors and Line Managers around the world. In this key role, requiring extensive travel, you will be commenting on the effectiveness of existing policies and working towards the implementation of added-value improvements and monitoring their progression.

You should be a graduate Chartered Accountant or MBA with at least 5 years' commercial experience. A natural problem solver, you will demonstrate the commercial acumen to think both logically and

laterally. Excellent communication skills combined with tact are vital to ensure the success of your contribution.

The salary and benefits package will not prove a limiting factor to anyone with the expertise and presence to make a direct impact on this world leading organisation. Opportunities for progression within the group are excellent.

Write with full CV, daytime telephone number and salary details, to Patrick Donnelly, quoting ref: FT/115 on the envelope and all documentation.

PD Consultants

MANAGEMENT • SELECTION

23 Durlston Road, Kingston-upon-Thames,  
Surrey KT2 5RR

## Group Financial Controller

Thames Valley

c £40,000 + Bens

Our client is a successful £70 million turnover service company, fully quoted on the London Stock Exchange trading throughout Europe, Australia and the Far East. Sound financial stewardship, strong management style and a dedication to customer service have all contributed to their market-leader status.

The group now wishes to appoint a diligent and conscientious accountant to its Head Office team in the role of Group Financial Controller. Reporting to the Group Finance Director, key responsibilities will include:

- Production of monthly Group results, year end statutory consolidations, published report and accounts, and ad-hoc analyses.
- Group Treasury and Taxation matters.
- Liaison with Auditors, Bankers and other external advisors.
- Company Secretarial and Stock Exchange Yellow Book requirements.

- Review of overseas management accounts.
- Supervision of the Head Office accounts team.

The successful candidate is likely to be an ACA either currently in the Head Office of a UK plc or at manager level in practice with extensive auditing experience of public company consolidated accounts. A thorough, pragmatic approach combined with the ability to strike professional and productive relationships are essential qualities, together with a sound technical background. A generous benefits package including fully expensed company car, profit related bonus scheme, pension and life assurance is available.

Interested applicants should write to Renny Hayes BA ACA, quoting HEJ 206815 along with a detailed curriculum vitae, including a day-time telephone number and details of current remuneration at Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berkshire SL4 6BW.



Michael Page Finance

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## FINANCE AND ADMINISTRATION DIRECTOR

PHARMACEUTICALS SPAIN & PORTUGAL PACKAGE £70,000+CAR

Our client is a household name and publicly quoted British based multi-national. Due to promotion, their Spanish sales, marketing and manufacturing pharmaceutical subsidiary is now seeking a high calibre Finance and Administration Director. The person appointed will also be responsible for the financial control of their Portuguese affiliate.

You will report to the Managing Director, and be a key member of the management team with overall responsibility for finance and administration, which also incorporates purchasing, personnel, production planning and information processing, as well as local treasury and taxation requirements. There will also be a strong interface with the company's UK based management. You will make a major contribution to the formulation and implementation of the company's future long term plans and strategy.

You will probably be in your mid-30s, a qualified accountant preferably with a degree or MBA, and have worked in a senior financial role with a major multi-

national company. You should have a facility for languages, preferably already Spanish speaking and be highly motivated with strong leadership qualities. First class technical and inter-personal skills are a prerequisite. Experience of working in a Spanish speaking environment and of working with Partners in strategic alliances would be added advantages. Above all you must have the strength of personality, intelligence and flexibility to succeed in an expanding commercial environment poised for significant growth. This is a senior appointment in one of Europe's fastest expanding markets and is based in a major city in Spain. Career development potential is excellent.

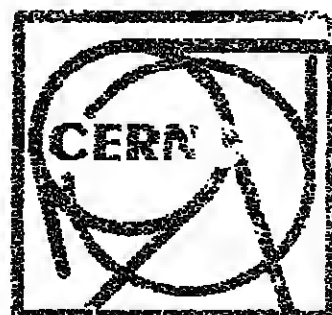
If you are interested in this appointment, please telephone Stuart Adamson FCA on 0532 451212 or send your CV in confidence quoting reference number 731 to Adamson & Partners, 10 Lisbon Square, Leeds LS1 4LY, West Yorkshire, England. Fax number 0532 428002.

ADAMSON & PARTNERS

INTERNATIONAL FINANCIAL SEARCH & SELECTION

## ORGANISATION EUROPEENNE POUR LA RECHERCHE NUCLEAIRE EUROPEAN ORGANIZATION FOR NUCLEAR RESEARCH

Laboratoire Européen pour la Physique des Particules • European Laboratory for Particle Physics



Close to Geneva, CERN, the European Laboratory for Particle Physics, is an International Organization of world renown which promotes the study of the fundamental constituents of matter. In a living example of international collaboration, some 3000 staff from 19 Member States (Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Netherlands, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, United Kingdom) are working together to provide a service for the International Physics Community. The contributions from these Member States provide an annual budget of 920 MCHF.

We are looking for young professionals for the Purchasing and Accounting Services of our Finance Division

### Buyer

- To research European markets, organise calls for tender, negotiate and draft contracts for the supply of goods and services - mainly in the area of industry and high technology.

### Candidates should be of Member State nationality and possess

- a university degree in Economics, Business Administration or equivalent;
- good knowledge of European markets;
- good knowledge of English and French and ability to draft documents in these languages (knowledge of another European language is desirable);
- relevant professional experience (3-5 years).

### Accountant

- To organise and update financial accounts, budget and reserve accounts, follow up accounts payable, invoices due and commitments, participate in preparing the Organization's Annual Accounts.

- a diploma as Chartered Accountant, or university degree including Finance and Accounting;
- very good knowledge of financial data-processing techniques;
- ability to coordinate teamwork;
- good knowledge of English or French, working knowledge of the other languages;
- relevant professional experience (3-5 years).

CERN offers an attractive remuneration package including a competitive salary and comprehensive social benefits. Applications will be considered on an individual basis and in the strictest confidence. Letters of application, accompanied by a detailed curriculum vitae, should be sent to:

John CUTHBERT, Human Resource Services, CERN, 1211 Geneva 23, Switzerland, quoting reference "F1-94-2".



## Group Finance Controller

Central London

Excellent Package

With a Group turnover in excess of £1bn, over 400 retail outlets in the UK and overseas and more than 18,000 employees, Storehouse is a major retail presence. Covering the Bhs, Mothercare, One-Up and Blazer businesses, our encouraging performance in a complex, highly competitive market is attributable to strong customer values, exciting brands and the commitment and dedication of our people. Nowhere is this more relevant than in our finance function.

This is a strategic role, calling for a finance professional capable of identifying commercially feasible business initiatives, and having the drive and determination necessary to implement them. With no routine accounting involved, your brief will focus on profit and cash improvement largely within Bhs, but also impacting on our other retail chains. This appointment reports directly to the Group Finance Director and carries responsibility for a small team.

You are a qualified accountant with around ten years' relevant experience behind you, ideally gained in a retail environment. A strategic, analytical thinker, you are a confident communicator capable of liaising successfully at Board level.

This role represents an impressive opportunity for an ambitious retail finance professional to develop their career in a successful organisation committed to its future, its brands and its people. There is a very attractive salary package, along with some outstanding, individually-tailored benefits, including share options. The right candidate will not be disappointed with the rewards on offer.

To apply, please write with full career and salary details, in complete confidence, to Dick Steele, Group Finance Director, Storehouse plc, Marylebone House, 129-137 Marylebone Road, London NW1 5QD.

**STOREHOUSE**

## Finance Director

£40,000 PLUS PERFORMANCE RELATED PAY PLUS BENEFITS

Working in the heart of London we have a reputation for innovation, quality and the provision of effective services to our tenants. We house over 2,000 households in properties worth £172 million. We are investing £50 million to provide 804 new and modernised homes.

We are looking for a new Finance Director to play a full part in the corporate management of the Association using your expertise in financial planning, borrowing and risk appraisal to achieve the Association's corporate plan objectives.

As an experienced manager you will personally negotiate with banks and analyse the risks of new business opportunities. You will supervise the management of our loans portfolio, treasury management and internal audit functions. You will ensure that our accounting function, responsible for a turnover of £7.1 million, operates to the highest standards of efficiency and control.

A qualified accountant with at least 5 years' senior management experience, including staff management,

you must be able to demonstrate a track record of achievement in a complex and fast moving environment. You must have the personal qualities necessary to command respect from colleagues internally and banks, the Housing Corporation and statutory authorities externally. You must be highly IT literate and able to apply your entrepreneurial skills to improve and expand the Association's activities.

The value of your contribution will be reflected in a remuneration package comprising a salary of circa £40,000 plus performance related pay plus benefits.

For an information pack and application form please fax Lindsey Tredwin on 071 284 0098 or send her a postcard with your name and address to: Community Housing Association, 68-70 Parkway, London NW1 7AH.

Please note that only completed application forms not CV's will be considered. Closing date is Monday 7th November 1994.

CHA is an equal opportunities employer.



Community Housing Association

## HIGH TABLE Finance Director

c.£55K

LONDON

High Table specialises in providing catering services on a contract basis to many blue chip organisations both in London and more recently nationally. Turnover is in excess of £20m with continued expansion planned. High Table, now a part of Generale Des Eaux, seeks to strengthen its management team to formulate and ensure achievement of business objectives.

As part of that team, you will provide financial and commercial leadership in the day-to-day operations, with specific responsibility for the finance and IT functions. You will also be expected to make a major contribution to the strategic direction of the business. This position offers excellent opportunities to advance into general management.

You will be aged 35-45 and a graduate ACA or ACCA. It is essential that you have at least ten years' post-qualification experience, five of them in a senior operational role. Experience in the catering industry is not a prerequisite, but you must be able to demonstrate career progression in a results-orientated environment. Detailed knowledge of computerised accountancy and administrative systems is essential; M & A experience would be advantageous.

If you believe you have the enthusiasm to contribute to this growing company, please write quodog ref. FT300, enclosing full personal, career and salary details to: Suzanne Dobinson, Management Consultancy Division, Robson Rhodes, 186 City Road, London EC1V 2NU. Applications should be received no later than 4th November 1994.

**ROBSON RHODES**

Chartered Accountants

**RSM**

International

## West London

£Negotiable

+ Benefits Package &amp; Car

Contact Mark Brewer on  
(071) 936 2040

or write to him at Brewer Morris,  
Ludgate House, 107 Fleet Street,  
London EC4A 3AB.

Evenings & Weekends  
(081) 995 9624

**BREWER-MORRIS**

TAXATION RECRUITMENT SPECIALISTS

Our client is one of the UK's largest privately owned companies, with interests in retail, leisure, banking and property. Operating from a secure and stable financial base, which has grown organically through carefully controlled expansion over the last 30 years, the company has operations in the UK, Continental Europe, the Middle East and the USA. Further international expansion is underway.

This newly created role will report directly to the chairman and will encompass compliance management, tax accounting and reporting for all UK and international companies, as well as dealing with enquiries from, and correspondence with, the Inland Revenue. Strategic tax planning is viewed as a prime responsibility, and the Tax Manager will review proposed transactions, advise on the tax implications and proactively provide input on group affairs.

Suitable candidates will be at least 30 years old, ACA qualified, possibly ATII, with a minimum of 4 years post qualifying tax experience, some of which will have been gained within an international firm of accountants. This is a highly autonomous role within a small Head Office team which will suit a confident, articulate, commercially aware individual, who is flexible in approach, technically strong and results orientated. As part of the management team some international travel will be required.

**KPMG** Hazem Hassan  
Executive Selection and Search

## EXCELLENT OPPORTUNITY Middle East

### Group Vice President - Internal Audit

Our client, a large group of companies based in the Gulf, is seeking a high calibre Arabic speaking CPA /FCA to fill the post of Group Vice President-Internal Audit.

Reporting directly to the Chairman, you will ensure the conservation, optimum use and security of Group resources through effective planned audit and/or ad hoc investigation into the soundness, adequacy and proper implementation of Group policies & procedures, standards and controls. Also, you will provide independent appraisal in respect of effectiveness and adequacy of controls and performance to provoke corrective action by accountable management.

Ideally aged 40-50 years, the right candidate should have acquired at least 15 years of experience with 5 years at a senior level in international audit firms or blue chip corporate organizations and gained solid experience in the areas of Internal Audit Planning, Financial Analysis, Investment, Operational Appraisal and EDP Audit.

This key position carries with it a very attractive tax free salary and benefits package that includes: bonus, life assurance, executive motor car, medical benefits, free fully air conditioned villa, first class air tickets, 45 days annual holiday, relocation costs and end of service gratuity.

If you are interested in this top managerial opportunity, please fax your C.V. now to the attention of Mohamed Ezzat, Partner, KPMG Hazem Hassan Executive Selection and Search (Fax Nos. 202-3487819 / 3497224) or send it by express mail to 72 Mohi Eldin Abu El Ezz St., Mohandessin - Cairo - Egypt.

## FINANCIAL DIRECTOR

Aggressive Airport Security equipment manufacturing company based in the SE seeks a self starter qualified accountant with current practice in management and financial accounting, budgeting, forecasting, cost and general accounting, cash management together with financial controls.

The successful candidate must have excellent communication skills as well as a working knowledge of the problems facing sales, engineering and manufacturing. Please apply with a full CV to:

Box A2174, Financial Times,  
One Southwark Bridge,  
London SE1 9HL

## Pénzügyi vezető, főkönyvelőt keresünk multinacionális szórakoztatóipari társaság részére

BUDAPEST

Egy 4 milliárd US dollár éves forgalmat bonyolító társaság pénzügyi megbízottat keres magyarországi fiókjának vezetésére. As sikeres jelentkezőnek - akár férfi, akár nő - tökéletesen képzett könyvelőnek kell lennie, aki mind magyarul, mind angolul folyékonyan beszél és ír. A jelentkezőnek megfelelő

bizonyítványokkal kell rendelkeznie a pénzügyi vezetés terén szerzett gyakorlatáról. A megállapodás kitűnő alapfizetést, prémiumot, valamint a szokásos nemzetközi kedvezményeket foglalja magába. Az alkalmaztatása érdekében fűző részletes önéletrajzzal és fizetési igényekkel a következő címre: Mr Stephen Gottlieb, 31 Villiers Street, London WC2N 6ND

clear focus, ultimate vision

**Stonham**  
Housing Association Ltd  
HOUSING WITH CARE

## Finance Director

London

£44,000 + car + benefits

STONHAM provides housing, care and support enabling people to develop their dignity, exercise control over their lives and move towards independence.

The logistics of our organisation are immense - last year 1600 employees and 2000 volunteers working in 500 locations provided homes for over 5000 people. We work with 200 communities and over 80 funding bodies.

As Finance Director you will undertake a pivotal role in the financial and corporate management of an organisation with a turnover approaching £30 million, ensuring our resources are employed to maximum effect and our goals achieved.

You will be a skilled general manager, qualified, computer literate and experienced in all aspects of finance including funding negotiations and treasury management. You will have been involved in the design and implementation of financial control systems, and your interpersonal skills will be to the fore in our team environment. You will be skilled in implementing change whilst maintaining momentum.

We need someone who can rise to the challenge posed by care in the community and who shares our aims and beliefs.

Women, people with a disability and members of minority ethnic communities are under represented in this level of the association and are particularly encouraged to apply. Stonham Housing Association is an equal opportunities employer.

For an application pack please contact our consultants, PCA Recruitment, 61 Heath Street, London NW3 6TG. Telephone 071 435 1107. Please quote reference FD. Closing date for returned applications 07.11.94

**PCA**  
Recruitment

Why be on the sidelines when you can be at the forefront?

## Finance Director

LONDON BRIDGE

STARTING SALARY UP TO £55,000

Phoenix Housing is a registered charity and housing association providing a range of services for vulnerable tenants. Working through a network of branches across the UK, we are a high-profile organisation, influencing policy on drug abuse, homelessness and European level. Using a combination of public funding, we are committed to high standards of efficiency and effectiveness. We need a fully qualified accountant with substantial management experience and outstanding skills to head our Finance Department. Candidates should be able to ensure that effective financial control operates throughout the organisation, including developing and operating our budgetary control and management information systems.

In collaboration with the financial managers, you will be responsible for:

- functional management at Board Level
- negotiating with funding bodies

For an information pack, please contact our advertising manager, United House, Northampton Road, London NW7 9DP. Telephone: 071 600 0000 or 071 700 7599. Closing date for returned applications is Monday 14 November 1994 at 5.00pm.

**HACAS**

**PHOENIX HOUSING**  
Helping Rebuild Lives



## IT PROJECT MANAGER - FINANCE

Thames Valley

To £40,000 Package + Car

Our client is a major international corporation - a distinct leader in a number of key markets. The company's renown for quality and excellence extends well beyond its marketing and manufacturing capabilities into all areas of the business infrastructure - the Information Management function is no exception.

Interfacing predominantly with senior finance decision makers and IT developers, an opportunity has arisen for a quality professional to join the head office team. The role involves working with finance teams to identify process improvements and systems solutions with a strong bias towards project management. Underlying the scope of the role will be a disciplined approach to determining business requirements and managing the delivery and implementation of appropriate solutions.

The successful candidate will be a high calibre graduate, preferably professionally qualified. Significant experience in the planning and leading of major change programmes across operational units, in a client server environment, is an important prerequisite. Without doubt this will be a high profile role calling for acute intellect, business and systems expertise operating at a senior level and exceptional abilities as a problem solver and relationship manager.

In return is not just an attractive remuneration and benefits package, but the opportunity to play a significant role in the future of this exciting and highly successful company, where prospects for advancement are dependent upon merit and not length of service. Interested applicants should write enclosing a comprehensive C.V. and current salary details, in the strictest confidence, quoting reference JG 16/90 to:

Joe Graham CA at Toner Graham,

8 Imperial Square,  
Cheltenham,  
GL50 1QB.



COMMODITIES AND AGRICULTURE

Copper climbs to fresh highs as metals surge

Copper's price on the London Metal Exchange reached its highest level for nearly four years yesterday as investment fund and speculator activity continued to boost all metals. Aluminium reached a fresh four-year high and nickel touched a two-year peak. Some analysts suggested there were solid reasons for the surge. Mr Viktor Belski, analyst at Bala & Co, a Deutsche Bank subsidiary, said that first-half demand for aluminium, copper and nickel had risen by 7 per cent compared with the same months of 1993.

He added that lead and zinc demand was up by 4 per cent, which was "twice as strong as even ardent bulls had predicted". Meanwhile, added Mr Belski, supplies had fallen along with exports from the former eastern bloc - apart from those of aluminium. Also, some LME stock was not immediately available because it was tied up by financing deals. "Sensationally strong" fundamentals would ensure that, even if prices fell because of profit-taking, they would recover quickly, he insisted.

However, Mr Nick Moore at Ord Minnett, an associate of Jardine Fleming, warned there was a great deal of moth-balled capacity that producers could quickly re-activate. "The market is behaving as if stocks are at critically low levels and they clearly are not," he said. Three-month copper, after moving briefly above US\$2,800 a tonne for the first time since January 1991, closed last night at \$2,584.25 a tonne, up \$47.75. Aluminium closed up \$44 at \$1,774.50 and nickel was at \$7,022.50, up \$127.50.

Russian smelter in \$280m upgrade

By Kenneth Gooding, Mining Correspondent

Russia's Novokuznetsk aluminium smelter in Siberia is to be modernised over the next four to five years with the help of VAW of Germany. The project will cost about \$280m. This is the first time a Russian smelter will be fully modernised rather than partially upgraded, says Mr Horst Peters, managing director of VAW Aluminium-Technologie. The project will cut pollution from Novokuznetsk substantially, improve working conditions and reduce energy use by 30 per cent.

Novokuznetsk has two plants, built between 1942 and 1966 with a total annual capacity of about 280,000 tonnes. The older plant will be permanently closed and the other's capacity increased to 250,000 tonnes of higher-quality aluminium.

Conditions for the 150,000 people living near the smelter had become so bad because of pollution from the older plant's outdated technology that three of its six buildings have already been taken out of operation.

Mr Peters says the project will be paid for by aluminium exports - Novokuznetsk has a licence for 60,000 tonnes of aluminium exports each year between 1994 and 2000.

Finance is expected to come from supplier loans, private banks and, possibly, the European Bank for Reconstruction and Development.

VAW has been working on a feasibility study for some time and this assumes that the aluminium price will average \$1,650 a tonne and calculates the modernised smelter's production costs at about \$950 a tonne.

The contract to provide engineering services is worth DM20m (\$13m) to VAW.

A glittering future for Turkey

The way is open for a gold mining industry, says Kenneth Gooding

The way is clear for a gold mining industry to develop in Turkey, according to Mr Norman Hardie, vice president of projects and corporate development for Metall Mining Corporation of Canada.

Hardie suggests that in five years Turkey might have five gold mines producing 12 to 15 tonnes of the precious metal between them.

Development of the industry could go ahead now that final approval has been given by the environment ministry for a gold mine - Turkey's first - at Ovacik, 100km north of Izmir. Behind the project is Eurogold, a joint venture between Metall and Poseidon Gold of Australia.

Eurogold has been battling



since 1991 to get various approvals - 11 in all - and Mr Hardie says other mining gold projects in Turkey have been hanging back to see the out-

come of Eurogold's pioneering work. Fierce opposition to the Eurogold project was based on local fears about the use of cyanide to leach out the precious metal, a common practice throughout the world. There was also concern about the impact the mine would have on tourism - the deposit is only 12km from the historic city of Bergama.

Mr Hardie said the Ovacik mine would meet and in some cases exceed, international standards adopted in the most environmentally conscious countries in the world. The mine would add interest to tourism in the area by offering tours of the mill.

Eurogold has so far spent \$15m on the project which is

expected to cost another \$35m to \$40m. Mr Hardie said two banks - Barclays and Dresdner - have agreed to provide \$31m of project finance.

The mine will have 200 employees and another 1,000 jobs will be indirectly created. Ovacik, a high-grade deposit with an average of nearly 10 grams of gold in each tonne of ore, is expected to produce about 100,000 troy ounces of gold a year at a full cost of \$250 an ounce. Present reserves are enough for at least eight years.

Other companies with gold projects in Turkey include Cominco of Canada, Gencor of South Africa and the BTR Corporation of the UK. Eurogold has also spent \$10m on exploring other parts of Turkey.

Mixed forecast for timber

By Frances Williams in Geneva

The short-term outlook for the timber industry in Europe and North America is bright as economic recovery gathers pace, the United Nations Economic Commission for Europe says in its annual review of market prospects for forest products.

It expects consumption and production of all forest products to rise in both 1994 and 1995, bolstering prices. However, this masks significant variations within the region.

Output of sawn softwood in Europe is forecast to increase on average by 5.2 per cent to 72m cu m in 1994 and by 3.3 per cent to 74.5m cu m in 1995.

In North America, however,

output and consumption are expected to decline next year after rising in 1994.

The ECE says that while there are signs of recovery in some eastern European countries, the forest sector remains severely depressed in Russia and other members of the Commonwealth of Independent States.

A combination of lower Canadian and Russian exports to Europe, and higher European exports to the Near East, North Africa and the Far East will make Europe a net exporter of sawn softwood for the first time this year and next, the ECE says.

Sawn softwood consumption,

production and trade in Russia, which has declined dramatically since 1990, are forecast to fall again in 1994 but may improve slightly in 1995. The removal of subsidies has sharply increased transport costs, forcing uneconomic production facilities in western and central Siberia to shut down.

Russian production in 1994 is likely to slump to about 29m cu m, compared with more than 90m cu m in the former Soviet Union in 1990. Exports are forecast to fall to some 5m cu m in 1994 but rise to 8m cu m in 1995.

Sawn hardwood consumption in Europe, which has fallen for the past decade, is rising again.

Novokuznetsk has two plants, built between 1942 and 1966 with a total annual capacity of about 280,000 tonnes. The older plant will be permanently closed and the other's capacity increased to 250,000 tonnes of higher-quality aluminium.

Conditions for the 150,000 people living near the smelter had become so bad because of pollution from the older plant's outdated technology that three of its six buildings have already been taken out of operation.

Mr Peters says the project will be paid for by aluminium exports - Novokuznetsk has a licence for 60,000 tonnes of aluminium exports each year between 1994 and 2000.

Finance is expected to come from supplier loans, private banks and, possibly, the European Bank for Reconstruction and Development.

VAW has been working on a feasibility study for some time and this assumes that the aluminium price will average \$1,650 a tonne and calculates the modernised smelter's production costs at about \$950 a tonne.

The contract to provide engineering services is worth DM20m (\$13m) to VAW.

Poland calls for radical CAP reform

By Deborah Hargreaves

Poland's agriculture minister, Mr Andrzej Smietanko, has been in talks with his British counterpart, Mr William Waldegrave, yesterday that Poland wants to see radical reform of the Common Agricultural Policy which would allow it to join the European Union.

"The same policy simply can't be extended to Poland because the EU can't afford it and Poland doesn't have the resources to pay," he said.

The Polish minister's comments are likely to add to the current debate in the EU about whether the CAP can be extended to east European countries.

Mr Smietanko called for greater access for Poland to lucrative EU markets. "We want access to markets in the EU; we don't just see the hill box from which to draw money," he said.

The minister pointed out that 1kg of beef sells for the equivalent of 80 cents in

Poland, compared with \$2 in the EU.

But cheaper Polish producers were not being allowed to supply products to the EU market, he said, in spite of declarations by politicians that the market would be opened to them.

"Unfortunately, we have become net importers of food following the invasion of EU products," Mr Smietanko said. He has highlighted three areas of Polish agriculture as priorities for reform - these qualify for preferential credit terms from the government and banks.

The first step is to boost milk production to meet domestic needs following a 40 per cent drop in output in the past four years. "We want to build up those sectors where we have a chance of exporting to the world market," Smietanko said.

Mr Smietanko and Mr Waldegrave agreed to set up a working party to tackle bureaucratic barriers to British investment in Poland.

EU milk prices to stay under pressure

By Deborah Hargreaves

European Union milk prices have been below 1993 levels this year and are likely to remain under pressure in coming years because of the EU's enlargement and trade liberalisation, according to Mr Erhard Richartz, head of the dairy group at Germany's agricultural market and price reporting agency ZMP.

Mr Richartz, speaking at a dairy conference this week organised by Agra Europe, the business information group, said the lower prices in continental Europe are in sharp contrast to rising levels in the UK as companies compete for supplies ahead of deregulation in November. But he stresses that the British situation has little to do with the development of the market in the rest of Europe.

EU prices have fallen as export markets to third countries have shrunk amid increasing competition from New Zealand and Australia.

Next year prices will be further depressed when Finland, Norway, Austria and Sweden join the EU. These countries all produce milk surpluses - Finland and Norway are far more self-sufficient than the rest of the EU.

In spite of applying milk quotas to the four new members, the EU's structural surplus of dairy products will increase to about 1.1m tonnes when they join.

In addition, when the General Agreement on Tariffs and Trade deal comes into effect in the middle of next year, greater access for dairy imports is likely to push the surplus to 2m to 3m tonnes, Mr Richartz says.

He sees little political will for cuts in milk quotas among EU agriculture ministers.

He expects prices to firm slightly in the first half of next year but to weaken later with pressure on the European dairy market increasing in the late 1990s as the GATT deal bites.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE (Prices from Amalgamated Metal Trading)

ALUMINIUM, 36.7 PURITY (\$ per tonne)

Cash 3 1/2 months

Close 1774-75 1774-75

Previous 1772-73 1772-73

High/Low 1775-74 1775-74

AM Official 1773-74 1773-74

Karb close 1768-70 1768-70

Open Int. 252,117 252,117

Total daily turnover 80,770 80,770

ALUMINIUM ALLOY (\$ per tonne)

Close 1730-35 1730-35

Previous 1730-35 1730-35

High/Low 1730-35 1730-35

AM Official 1730-35 1730-35

Karb close 1730-35 1730-35

Open Int. 2,883 2,883

Total daily turnover 313 313

LEAD (\$ per tonne)

Close 653-65 653-65

Previous 646-47 646-47

High/Low 651-51 651-51

AM Official 651-51 651-51

Karb close 651-51 651-51

Open Int. 42,332 42,332

Total daily turnover 7,059 7,059

NICKEL (\$ per tonne)

Close 6915-25 7020-25

Previous 6785-95 6880-90

High/Low 6945 7050/700

Precious Metals continued

GOLD COMEX (100 Troy oz; \$ per oz)

Oct 391.3 +1.2 392.0 391.5 43 -

Nov 391.3 +1.1 - - - -

Dec 391.3 +1.0 391.5 392.5 391.6 22,402

Jan 391.7 +1.0 391.5 392.5 391.6 24,241

Feb 400.3 +1.1 401.0 400.5 4,691 2

Mar 403.0 +1.1 404.0 403.0 10,244 122

Total 196,289 23,134

PLATINUM NYMEX (50 Troy oz; \$ per oz)

Oct 427.8 +5.0 - - - -

Nov 427.8 +5.0 - - - -

Dec 427.8 +5.0 428.0 429.0 3,467 2,995

Jan 433.9 +5.1 433.5 429.0 3,467 2,995

Feb 436.1 +5.1 436.5 438.0 9,104 104

Mar 442.1 +5.5 - - - -

Apr 445.1 +5.5 - - - -

Total 23,096 3,416

PALLADIUM NYMEX (100 Troy oz; \$ per oz)

Dec 157.86 +0.75 158.45 158.75 4,552 350

Jan 158.80 +0.80 159.25 159.75 1,547 131

Mar 159.80 +0.75 - - - -

Apr 159.80 +0.75 - - - -

Total 15,948 651

SILVER COMEX (100 Troy oz; \$ per oz)

Oct 540.3 +3.2 - - - -

Nov 541.5 +3.1 - - - -

Dec 543.5 +3.0 548.5 540.0 78,484 23,162

Jan 548.1 +3.0 - - - -

Feb 552.0 +3.0 548.5 548.5 14,582 7,342

Mar 555.5 +2.9 550.0 555.0 4,677 778

Total 112,063 26,412

ENERGY

CRUDE OIL NYMEX (42,000 US gal; \$ per barrel)

Oct 17.48 +0.02 17.50 17.48 26,054 32,000

Nov 17.48 +0.02 17.50 17.48 107,334 38,242

Dec 17.51 +0.02 17.58 17.48 60,558 18,089

Jan 17.47 +0.04 17.53 17.45 28,628 7,242

Feb 17.48 +0.01 17.52 17.48 25,822 1,828

Mar 17.46 +0.03 17.51 17.48 47,847 2,103

Total 17,253 124,988

CRUDE OIL ICE (Barrels)

Oct 16.35 +0.01 16.42 16.33 31,303 23,615

Nov 16.37 +0.02 16.38 16.25 30,094 7,024

Dec 16.18 +0.04 16.25 16.17 17,800 1,277

Jan 16.17 +0.02 16.25 16.18 15,116 4,382

Feb 16.17 +0.02 16.23 16.10 3,810 -

Mar 16.18 - - - - -

Total 146,218 32,395

HEATING OIL NYMEX (42,000 US gal; \$ per barrel)

Oct 16.35 +0.01 16.42 16.33 31,303 23,615

Nov 16.37 +0.02 16.38 16.25 30,094 7,024

Dec 16.18 +0.04 16.25 16.17 17,800 1,277

Jan 16.17 +0.02 16.25 16.18 15,116 4,382

GRAINS AND OIL SEEDS

WHEAT LCE (\$ per bushel)

Oct 105.00 +0.10 105.10 105.00 1,455 82

Nov 107.05 +0.10 107.10 106.90 1,976 62

Dec 109.10 +0.10 109.10 108.90 1,938 9

Jan 111.15 +0.10 111.15 110.90 1,938 9

Feb 112.05 - - - - -

Mar 108.00 +0.10 - - - -

Total 6,827 184

WHEAT CBOT (\$ per bushel)

Dec 39.94 +0.20 40.00 39.80 4,440 13,633

Jan 41.90 +0.20 42.10 41.90 21,973 4,880

Mar 43.94 +0.20 44.10 43.90 4,011 1,222

Apr 45.94 +0.20 46.10 45.90 1,116 1,898

May 47.94 +0.20 48.10 47.90 226 3

Jun 49.94 +0.20 50.10 49.90 134 1

Total 70,914 20,488

MAIZE LCE (\$ per bushel)

Dec 21.74 +0.20 21.90 21.60 15,550

Jan 22.82 +0.20 23.00 22.80 5,007 6,642

Mar 23.84 +0.20 24.00 23.80 3,036

Apr 24.78 +0.20 24.90 24.70 1,518

May 25.74 +0.20 25.90 25.70 1,293

Jun 26.74 +0.20 26.90 26.70 1,293

Total 11,247 742

BAILEY LCE (\$ per bushel)

Oct 101.50 +0.05 101.60 101.50 379 11

Nov 104.50 +0.05 104.60 104.50 379 11

Dec 106.50 +0.05 106.60 106.50 379 11

Jan 108.50 +0.05 108.60 108.50 379 11

Feb 110.50 +0.05 110.60 110.50 379 11

Mar 112.50 +0.05 112.60 112.50 379 11

SOFTS

COFFEE LCE (\$/tonne)

Oct 852 +11 863 856 21,529 808

Nov 894 +11 904 888 41,382 1,407

Dec 994 +12 995 978 14,587 259

Jan 1115 +12 1116 1100 8,161 165

Feb 1021 +12 1021 1010 12,282 58

Mar 1038 +11 1038 1028 8,390 54

Total 109,924 2,825

COFFEE SCOE (10 tonnes; \$/tonne)

Dec 1345 +36 1345 1233 30,586 4,110

Jan 1385 +36 1385 1341 21,761 1,850

Feb 1415 +36 1415 1370 8,161 165

Mar 1440 +36 1440 1400 3,024 -

Apr 1467 +36 1467 1433 1,333 -

May 1502 +36 1502 1468 1,333 -











## LONDON SHARE SERVICE

## INVESTMENT TRUSTS - Cont.


| Notes | Price | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 | 1987 | 1986 | 1985 | 1984 | 1983 | 1982 | 1981 | 1980 | 1979 | 1978 | 1977 | 1976 | 1975 | 1974 | 1973 | 1972 | 1971 | 1970 | 1969 | 1968 | 1967 | 1966 | 1965 | 1964 | 1963 | 1962 | 1961 | 1960 | 1959 | 1958 | 1957 | 1956 | 1955 | 1954 | 1953 | 1952 | 1951 | 1950 | 1949 | 1948 | 1947 | 1946 | 1945 | 1944 | 1943 | 1942 | 1941 | 1940 | 1939 | 1938 | 1937 | 1936 | 1935 | 1934 | 1933 | 1932 | 1931 | 1930 | 1929 | 1928 | 1927 | 1926 | 1925 | 1924 | 1923 | 1922 | 1921 | 1920 | 1919 | 1918 | 1917 | 1916 | 1915 | 1914 | 1913 | 1912 | 1911 | 1910 | 1909 | 1908 | 1907 | 1906 | 1905 | 1904 | 1903 | 1902 | 1901 | 1900 | 1899 | 1898 | 1897 | 1896 | 1895 | 1894 | 1893 | 1892 | 1891 | 1890 | 1889 | 1888 | 1887 | 1886 | 1885 | 1884 | 1883 | 1882 | 1881 | 1880 | 1879 | 1878 | 1877 | 1876 | 1875 | 1874 | 1873 | 1872 | 1871 | 1870 | 1869 | 1868 | 1867 | 1866 | 1865 | 1864 | 1863 | 1862 | 1861 | 1860 | 1859 | 1858 | 1857 | 1856 | 1855 | 1854 | 1853 | 1852 | 1851 | 1850 | 1849 | 1848 | 1847 | 1846 | 1845 | 1844 | 1843 | 1842 | 1841 | 1840 | 1839 | 1838 | 1837 | 1836 | 1835 | 1834 | 1833 | 1832 | 1831 | 1830 | 1829 | 1828 | 1827 | 1826 | 1825 | 1824 | 1823 | 1822 | 1821 | 1820 | 1819 | 1818 | 1817 | 1816 | 1815 | 1814 | 1813 | 1812 | 1811 | 1810 | 1809 | 1808 | 1807 | 1806 | 1805 | 1804 | 1803 | 1802 | 1801 | 1800 | 1799 | 1798 | 1797 | 1796 | 1795 | 1794 | 1793 | 1792 | 1791 | 1790 | 1789 | 1788 | 1787 | 1786 | 1785 | 1784 | 1783 | 1782 | 1781 | 1780 | 1779 | 1778 | 1777 | 1776 | 1775 | 1774 | 1773 | 1772 | 1771 | 1770 | 1769 | 1768 | 1767 | 1766 | 1765 | 1764 | 1763 | 1762 | 1761 | 1760 | 1759 | 1758 | 1757 | 1756 | 1755 | 1754 | 1753 | 1752 | 1751 | 1750 | 1749 | 1748 | 1747 | 1746 | 1745 | 1744 | 1743 | 1742 | 1741 | 1740 | 1739 | 1738 | 1737 | 1736 | 1735 | 1734 | 1733 | 1732 | 1731 | 1730 | 1729 | 1728 | 1727 | 1726 | 1725 | 1724 | 1723 | 1722 | 1721 | 1720 | 1719 | 1718 | 1717 | 1716 | 1715 | 1714 | 1713 | 1712 | 1711 | 1710 | 1709 | 1708 | 1707 | 1706 | 1705 | 1704 | 1703 | 1702 | 1701 | 1700 | 1699 | 1698 | 1697 | 1696 | 1695 | 1694 | 1693 | 1692 | 1691 | 1690 | 1689 | 1688 | 1687 | 1686 | 1685 | 1684 | 1683 | 1682 | 1681 | 1680 | 1679 | 1678 | 1677 | 1676 | 1675 | 1674 | 1673 | 1672 | 1671 | 1670 | 1669 | 1668 | 1667 | 1666 | 1665 | 1664 | 1663 | 1662 | 1661 | 1660 | 1659 | 1658 | 1657 | 1656 | 1655 | 1654 | 1653 | 1652 | 1651 | 1650 | 1649 | 1648 | 1647 | 1646 | 1645 | 1644 | 1643 | 1642 | 1641 | 1640 | 1639 | 1638 | 1637 | 1636 | 1635 | 1634 | 1633 | 1632 | 1631 | 1630 | 1629 | 1628 | 1627 | 1626 | 1625 | 1624 | 1623 | 1622 | 1621 | 1620 | 1619 | 1618 | 1617 | 1616 | 1615 | 1614 | 1613 | 1612 | 1611 | 1610 | 1609 | 1608 | 1607 | 1606 | 1605 | 1604 | 1603 | 1602 | 1601 | 1600 | 1599 | 1598 | 1597 | 1596 | 1595 | 1594 | 1593 | 1592 | 1591 | 1590 | 1589 | 1588 | 1587 | 1586 | 1585 | 1584 | 1583 | 1582 | 1581 | 1580 | 1579 | 1578 | 1577 | 1576 | 1575 | 1574 | 1573 | 1572 | 1571 | 1570 | 1569 | 1568 | 1567 | 1566 | 1565 | 1564 | 1563 | 1562 | 1561 | 1560 | 1559 | 1558 | 1557 | 1556 | 1555 | 1554 | 1553 | 1552 | 1551 | 1550 | 1549 | 1548 | 1547 | 1546 | 1545 | 1544 | 1543 | 1542 | 1541 | 1540 | 1539 | 1538 | 1537 | 1536 | 1535 | 1534 | 1533 | 1532 | 1531 | 1530 | 1529 | 1528 | 1527 | 1526 | 1525 | 1524 | 1523 | 1522 | 1521 | 1520 | 1519 | 1518 | 1517 | 1516 | 1515 | 1514 | 1513 | 1512 | 1511 | 1510 | 1509 | 1508 | 1507 | 1506 | 1505 | 1504 | 1503 | 1502 | 1501 | 1500 | 1499 | 1498 | 1497 | 1496 | 1495 | 1494 | 1493 | 1492 | 1491 | 1490 | 1489 | 1488 | 1487 | 1486 | 1485 | 1484 | 1483 | 1482 | 1481 | 1480 | 1479 | 1478 | 1477 | 1476 | 1475 | 1474 | 1473 | 1472 | 1471 | 1470 | 1469 | 1468 | 1467 | 1466 | 1465 | 1464 | 1463 | 1462 | 1461 | 1460 | 1459 | 1458 | 1457 | 1456 | 1455 | 1454 | 1453 | 1452 | 1451 | 1450 | 1449 | 1448 | 1447 | 1446 | 1445 | 1444 | 1443 | 1442 | 1441 | 1440 | 1439 | 1438 | 1437 | 1436 | 1435 | 1434 | 1433 | 1432 | 1431 | 1430 | 1429 | 1428 | 1427 | 1426 | 1425 | 1424 | 1423 | 1422 | 1421 | 1420 | 1419 | 1418 | 1417 | 1416 | 1415 | 1414 | 1413 | 1412 | 1411 | 1410 | 1409 | 1408 | 1407 | 1406 | 1405 | 1404 | 1403 | 1402 | 1401 | 1400 | 1399 | 1398 | 1397 | 1396 | 1395 | 1394 | 1393 | 1392 | 1391 | 1390 | 1389 | 1388 | 1387 | 1386 | 1385 | 1384 | 1383 | 1382 | 1381 | 1380 | 1379 | 1378 | 1377 | 1376 | 1375 | 1374 | 1373 | 1372 | 1371 | 1370 | 1369 | 1368 | 1367 | 1366 | 1365 | 1364 | 1363 | 1362 | 1361 | 1360 | 1359 | 1358 | 1357 | 1356 | 1355 | 1354 | 1353 | 1352 | 1351 | 1350 | 1349 | 1348 | 1347 | 1346 | 1345 | 1344 | 1343 | 1342 | 1341 | 1340 | 1339 | 1338 | 1337 | 1336 | 1335 | 1334 | 1333 | 1332 | 1331 | 1330 | 1329 | 1328 | 1327 | 1326 | 1325 | 1324 | 1323 | 1322 | 1321 | 1320 | 1319 | 1318 | 1317 | 1316 | 1315 | 1314 | 1313 | 1312 | 1311 | 1310 | 1309 | 1308 | 1307 | 1306 | 1305 | 1304 | 1303 | 1302 | 1301 | 1300 | 1299 | 1298 | 1297 | 1296 | 1295 | 1294 | 1293 | 1292 | 1291 | 1290 | 1289 | 1288 | 1287 | 1286 | 1285 | 1284 | 1283 | 1282 | 1281 | 1280 | 1279 | 1278 | 1277 | 1276 | 1275 | 1274 | 1273 | 1272 | 1271 | 1270 | 1269 | 1268 | 1267 | 1266 | 1265 | 1264 | 1263 | 1262 | 1261 | 1260 | 1259 | 1258 | 1257 | 1256 | 1255 | 1254 | 1253 | 1252 | 1251 | 1250 | 1249 | 1248 | 1247 | 1246 | 1245 | 1244 | 1243 | 1242 | 1241 | 1240 | 1239 | 1238 | 1237 | 1236 | 1235 | 1234 | 1233 | 1232 | 1231 | 1230 | 1229 | 1228 | 1227 | 1226 | 1225 | 1224 | 1223 | 1222 | 1221 | 1220 | 1219 | 1218 | 1217 | 1216 | 1215 | 1214 | 1213 | 1212 | 1211 | 1210 | 1209 | 1208 | 1207 | 1206 | 1205 | 1204 | 1203 | 1202 | 1201 | 1200 | 1199 | 1198 | 1197 | 1196 | 1195 | 1194 | 1193 | 1192 | 1191 | 1190 | 1189 | 1188 | 1187 | 1186 | 1185 | 1184 | 1183 | 1182 | 1181 | 1180 | 1179 | 1178 | 1177 | 1176 | 1175 | 1174 | 1173 | 1172 | 1171 | 1170 | 1169 | 1168 | 1167 | 1166 | 1165 | 1164 | 1163 | 1162 | 1161 | 1160 | 1159 | 1158 | 1157 | 1156 | 1155 | 1154 | 1153 | 1152 | 1151 | 1150 | 1149 | 1148 | 1147 | 1146 | 1145 | 1144 | 1143 | 1142 | 1141 | 1140 | 1139 | 1138 | 1137 | 1136 | 1135 | 1134 | 1133 | 1132 | 1131 | 1130 | 1129 | 1128 | 1127 | 1126 | 1125 | 1124 | 1123 | 1122 | 1121 | 1120 | 1119 | 1118 | 1117 | 1116 | 1115 | 1114 | 1113 | 1112 | 1111 | 1110 | 1109 | 1108 | 1107 | 1106 | 1105 | 1104 | 1103 | 1102 | 1101 | 1100 | 1099 | 1098 | 1097 | 1096 | 1095 | 1094 | 1093 | 1092 | 1091 | 1090 | 1089 | 1088 | 1087 | 1086 | 1085 | 1084 | 1083 | 1082 | 1081 | 1080 | 1079 | 1078 | 1077 | 1076 | 1075 | 1074 | 1073 | 1072 | 1071 | 1070 | 1069 | 1068 | 1067 | 1066 | 1065 | 1064 | 1063 | 1062 | 1061 | 1060 | 1059 | 1058 | 1057 | 1056 | 1055 | 1054 | 1053 | 1052 | 1051 | 1050 | 1049 | 1048 | 1047 | 1046 | 1045 | 1044 | 1043 | 1042 | 1041 | 1040 | 1039 | 1038 | 1037 | 1036 | 1035 | 1034 | 1033 | 1032 | 1031 | 1030 | 1029 | 1028 | 1027 | 1026 | 1025 | 1024 | 1023 | 1022 | 1021 | 1020 | 1019 | 1018 | 1017 | 1016 | 1015 | 1014 | 1013 | 1012 | 1011 | 1010 | 1009 | 1008 | 1007 | 1006 | 1005 | 1004 | 1003 | 1002 | 1001 | 1000 | 999 | 998 | 997 | 996 | 995 | 994 | 993 | 992 | 991 | 990 | 989 | 988 | 987 | 986 | 985 | 984 | 983 | 982 | 981 | 980 | 979 | 978 | 977 | 976 | 975 | 974 | 973 | 972 | 971 | 970 | 969 | 968 | 967 | 966 | 965 | 964 | 963 | 962 | 961 | 960 | 959 | 958 | 957 | 956 | 955 | 954 | 953 | 952 | 951 | 950 | 949 | 948 | 947 | 946 | 945 | 944 | 943 | 942 | 941 | 940 | 939 | 938 | 937 | 936 | 935 | 934 | 933 | 932 | 931 | 930 | 929 | 928 | 927 | 926 | 925 | 924 | 923 | 922 | 921 | 920 | 919 | 918 | 917 | 916 | 915 | 914 | 913 | 912 | 911 | 910 | 909 | 908 | 907 | 906 | 905 | 904 | 903 | 902 | 901 | 900 | 899 | 898 | 897 | 896 | 895 | 894 | 893 | 892 | 891 | 890 | 889 | 888 | 887 | 886 | 885 | 884 | 883 | 882 | 881 | 880 | 879 | 878 | 877 | 876 | 875 | 874 | 873 | 872 | 871 | 870 | 869 | 868 | 867 | 866 | 865 | 864 | 863 | 862 | 861 | 860 | 859 | 858 | 857 | 856 | 855 | 854 | 853 | 852 | 851 | 850 | 849 | 848 | 847 | 846 | 845 | 844 | 843 | 842 | 841 | 840 | 839 | 838 | 837 | 836 | 835 | 834 | 833 | 832 | 831 | 830 | 829 | 828 | 827 | 826 | 825 | 824 | 823 | 822 | 821 | 820 | 819 | 818 | 817 | 816 | 815 | 814 | 813 | 812 | 811 | 810 | 809 | 808 | 807 | 806 | 805 | 804 | 803 | 802 | 801 | 800 | 799 | 798 | 797 | 796 | 795 | 794 | 793 | 792 | 791 | 790 | 789 | 788 | 787 | 786 | 785 | 784 | 783 | 782 | 781 | 780 | 779 | 778 | 777 | 776 | 775 | 774 | 773 | 772 | 771 | 770 | 769 | 768 | 767 | 766 | 765 | 764 | 763 | 762 | 761 | 760 | 759 | 758 | 757 | 756 | 755 | 754 | 753 | 752 | 751 | 750 | 749 | 748 | 747 | 746 | 745 | 744 | 743 | 742 | 741 | 740 | 739 | 738 | 737 | 736 | 735 | 734 | 733 | 732 | 731 | 730 | 729 | 728 | 727 | 726 | 725 | 724 | 723 | 722 | 721 | 720 | 719 | 718 | 717 | 716 | 715 | 714 | 713 | 712 | 711 | 710 | 709 | 708 | 707 | 706 | 705 | 704 | 703 | 702 | 701 | 700 | 699 | 698 | 697 | 696 | 695 | 694 | 693 | 692 | 691 | 690 | 689 | 688 | 687 | 686 | 685 | 684 | 683 | 682 | 681 | 680 | 679 | 678 | 677 | 676 | 675 | 674 | 673 | 672 | 671 | 670 | 669 | 668 | 667 | 666 | 665 | 664 | 663 | 662 | 661 | 660 | 659 | 658 | 657 | 656 | 655 | 654 | 653 | 652 | 651 | 650 | 649 | 648 | 647 | 646 | 645 | 644 | 643 | 642 | 641 | 640 | 639 | 638 | 637 | 636 | 635 | 634 | 633 | 632 | 631 | 630 | 629 | 628 | 627 | 626 | 625 | 624 | 623 | 622 | 621 | 620 | 619 | 618 | 617 | 616 | 615 | 614 | 613 | 612 | 611 | 610 | 609 | 608 | 607 | 606 | 605 | 604 | 603 | 602 | 601 | 600 | 599 | 598 | 597 | 596 | 595 |
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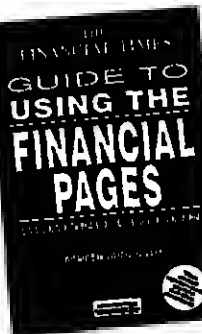
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## CURRENCIES AND MONEY

## MARKETS REPORT

## Mixed showing for dollar after strong data

The dollar traded in a fairly narrow range in Europe yesterday, providing encouragement for those who believe the currency is due to rally, writes Philip Gault.

Strong economic data, which upset the US bond market, were shrugged off, while the dollar also took little notice of comments from a Bundesbank council member about the desirability of a stronger D-Mark.

The dollar finished in London at DM1.5016, from DM1.5008, and at ¥97.325 from ¥97.15. It fell later in New York to DM1.4915 on comments from Mr Lloyd Bentsen, US treasury secretary, that the US government had no plans to intervene in currency markets (to support the dollar).

Elsewhere, sterling recovered from a downward blip after the resignation of a junior minister, to finish at DM2.4325, from DM2.4296, and at £1.83 from £1.8182.

In Europe, the D-Mark was generally weaker as investors

reassessed the bullishness they had shown to the German currency in the run-up to last week's elections.

Both the Swedish and Danish crowns firmed after a poll showed an increasing number of Swedes favour joining the European Union. The Danish kroner finished at DKr3.912, while the Swedish krona closed at SKr4.774 from SKr4.8.

The dollar held above DM1.50 for most of the day, despite the buoyant housing starts data, and the large jump in the price component of the Philadelphia Fed survey. Trade was very quiet, only leveling up in the New York afternoon when Mr Bentsen spoke.

Mr Bentsen was less emphatic than in recent

months in supporting the virtues of a strong dollar. His desire to see it "a little higher" was clearly seen as damping with faint praise.

Also unsettling for currency markets were earlier comments from Mr Tietmeyer, that any movement in Bundesbank rates again this year depended on trends in the money supply, and other factors affecting inflation.

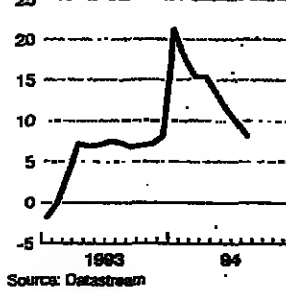
Analysts said the tenor of his comments suggested that the central bank was clearly looking for further scope to cut rates, not to raise them.

Mr Paul Lambert, currency analyst at UBS in London, said a good M3 figure would "put interest rate reductions back on the agenda". He predicted that the Bundesbank might decide to revert to a variable rate repo at its weekly auctions, and then follow this with a final cut in official rates.

Before Mr Bentsen spoke, there was some comfort for dollar bulls from the market's seeming unwillingness to take the dollar decisively below DM1.50. Mr Malcolm Barr, economist at Chemical Bank in London, commented: "The market is already rather over

## Germany: money supply

M3, % change from previous 24 months



Source: Datastream

likely to be the main short-term determinants of the dollar's progress.

There is considerable market speculation about whether the next move in German rates will be up or down. Lower rates could provide some support for the dollar, especially if combined with further rises in US rates.

Earlier in the day, the market had focused on newspaper comments from Mr Tietmeyer, that any movement in Bundesbank rates again this year depended on trends in the money supply, and other factors affecting inflation.

Analysts said the tenor of his comments suggested that the central bank was clearly looking for further scope to cut rates, not to raise them.

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Before Mr Bentsen spoke, there was some comfort for dollar bulls from the market's seeming unwillingness to take the dollar decisively below DM1.50.

Mr Malcolm Barr, economist at Chemical Bank in London, commented: "The market is already rather over

extended in terms of short dollar positions, so it held up rather well."

The recent pattern of much of the liquidity being provided by the Bank of England to UK money markets, coming in the form of late assistance, persisted.

After declaring a shortage of £700m, the Bank provided £62m liquidity at established rates, and a further £550m late assistance. The overnight money rate peaked at 8 per cent.

Cash rates were unaffected, with three month LIBOR at 5 1/2 per cent. In the futures market the December short sterling contract closed at 83.49, from 83.52, on low volumes. German call money eased to 4.80/4.85 per cent from 4.85/4.90 per cent.

OTHER CURRENCIES

Oct 20  
Bongay 171.275 171.528 106.70 105.80  
Jan 201.00 202.00 174.00 173.00  
Jan 201.00 202.00 174.00 173.00  
Jan 201.00 202.00 174.00 173.00  
Jan 201.00 202.00 174.00 173.00

## WORLD INTEREST RATES

## MONEY RATES

October 20

|              | Over night | One month | Three months | Six months | One year | Long term | Repo rate |
|--------------|------------|-----------|--------------|------------|----------|-----------|-----------|
| Belgium      | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| France       | 5 1/2      | 5 1/2     | 6 1/2        | 6 1/2      | 7 1/2    | 8 1/2     | 4.50      |
| Germany      | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| Italy        | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| Netherlands  | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| Spain        | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| Sweden       | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| Switzerland  | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| UK           | 8 1/2      | 8 1/2     | 8 1/2        | 8 1/2      | 8 1/2    | 8 1/2     | 8.00      |
| US           | 8 1/2      | 8 1/2     | 8 1/2        | 8 1/2      | 8 1/2    | 8 1/2     | 8.00      |
| Japan        | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| South Korea  | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| South Africa | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| India        | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| China        | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| Indonesia    | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| Malaysia     | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| Philippines  | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| Singapore    | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| Taiwan       | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| Thailand     | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| Vietnam      | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |
| Yugoslavia   | 4 1/2      | 4 1/2     | 5 1/2        | 5 1/2      | 6 1/2    | 7 1/2     | 4.50      |

LIBOR FT London

Interbank Funding

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US Dollar CDs

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## POUND SPOT FORWARD AGAINST THE POUND

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## DOLLAR SPOT FORWARD AGAINST THE DOLLAR

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Hutchison Telecom



## NEW YORK STOCK EXCHANGE COMPOSITE PRICES

| SAMSUNG ELECTRONICS            |  |  |  |  |  |  |  |  |  |
|--------------------------------|--|--|--|--|--|--|--|--|--|
| 4 Head Hi-Fi Stereo VCR        |  |  |  |  |  |  |  |  |  |
| Jog & Shuttle Auto Tracking    |  |  |  |  |  |  |  |  |  |
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| TECHNOLOGY THAT WORKS FOR LIFE |  |  |  |  |  |  |  |  |  |
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**NASDAQ NATIONAL MARKET**

4 pm class (October 3)

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## 4 pm clean October 27

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**Financial Times. Europe's Business Newspaper.**

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| Link      | 35    | 2361  | 55 3/4 |
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| Link      | 78    | 294   | 2 1/2  |
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## AMERICA

## Dow tumbles as data hit bond market

## Wall Street

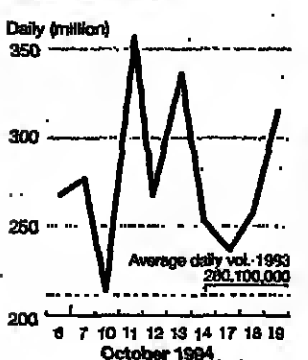
US stocks tumbled yesterday morning as unfavourable economic news sent bond yields surging, writes Frank McGarry in New York.

By 1 pm, the Dow Jones Industrial Average was 28.59 lower at 3,907.45, while the more broadly based Standard & Poor's 500 was down 3.96 at 466.32.

On the NYSE, declining issues outnumbered advances by a seven-to-three margin by early afternoon in heavy volume of 256m shares.

The Nasdaq composite was also down sharply at 765.72, a loss of 4.90 on the morning. The American SE composite held up a little better, dipping 0.78 to 457.48.

## NYSE volume



The catalyst for the downturn was a revival of pessimism in the bond market. The recent confidence established there was severely shaken by two sets of data suggesting that the economy was growing at an unmanageable pace and inflationary pressures were mounting.

The commerce department announced a 4.4 per cent jump in housing starts last month, to an adjusted annualised rate of 1.5m units, the highest since last December. Even more disturbing was news from the Philadelphia Federal Reserve that its index of business activity had surged, while prices paid and received were up sharply.

The data pushed up yields on the inflation-sensitive long bond to just below 8.00 per cent, a level at which stocks could lose much of their relative attraction.

The resurgence of rate fears, suppressed over the past fortnight, overshadowed the steady stream of mostly positive earnings news flowing into Wall Street.

IBM, still the bellwether of the technology group, slipped 5/8 to 87 1/2, even though its third-quarter net income of \$1.13 a share easily beat the consensus forecast of analysts.

But General Motors failed to measure up to expectations and its stock was punished as

consequence. Its share price fell 5 1/2 per cent, or \$2 1/2, to \$44 1/2 after the company revealed details of a disappointing operating performance. Chrysler, which had turned in a solid performance last week, was marked down 1/8 to \$46 1/2.

Seared the big retail chain, reported no such reward, it posted net income that was nearly 20 per cent better than analysts were predicting, but the stock dropped 1 1/2 to \$46 1/2 on the announcement.

The negative sentiment was evident in stocks across the board, whether or not they had earnings news to report.

Among the Dow industrial components, General Electric lost 1 1/2 to \$48 1/2, JP Morgan shed 1/8 to \$60 and Procter & Gamble dropped 1/4 to \$62 1/2.

Only Alcoa, the aluminium producer, bucked the trend, adding 1/4 to \$99 1/2.

On the Nasdaq, many technology stocks were lower, including Cyrix, down 2 1/2 to \$35 1/2, and Oracle, off 1 1/4 to \$69 1/2.

However, Microsoft improved 1/4 to \$59 1/2 in a positive reaction to its earnings statement.

## Canada

Toronto was lower in sluggish midday trading, with the TSE 300 index down 3.12 to 4,317.57 in volume of 32.16m shares.

Declining issues led advances by 337 to 253, with 317 stocks unchanged.

Rallying gold and metal stocks restrained losses in most other sectors, including communications and banking stocks.

The golds sector index moved ahead 140.85 to 10,739.55 as Comex December gold climbed by US\$1 to US\$393.30 an ounce. Placer Dome added C\$4 to C\$32 1/2.

## Brazil

Shares in São Paulo reacted cautiously to the announcement on Wednesday of a package of financial measures aimed at reducing inflation and restricting the inflow of foreign investment into the country.

At midsession the Bovespa index was off 328 at 47,259.

Brokers remarked that foreign investors were largely absent - the government also announced that it was putting a 1 per cent tax on foreign investments in Brazilian stocks.

The market was expected to move in a narrow range over the next few days as investors digested the package of measures. Telebras preferred was up 1.2 per cent at R\$42.30, those of the mining group Vale do Rio Doce rose 1.2 per cent to R\$167 and the oil monopoly Petrobras was flat at R\$124.

## EUROPE

## Milan preoccupied by domestic events

Bourses mostly followed US markets, climbing in the morning on the Dow's overnight gain, and descending in the afternoon after T-hoods slumped on inflationary news from the Philadelphia Federal Reserve, writes Our Markets Staff.

MILAN was distracted by fast moving domestic economic and political developments, which included the unions' tepid response to the government's olive branch on pension reform, and the suspension of a parliamentary sitting after government and opposition deputies came to blows.

The Comit index fell 2.63 to 618.97, after early pressure on Fiat, but the real time Mibtel index reflected a late technical rally, picking up from a low of 9.835 to finish 64 up at 9.964.

Mr Michele Pacitti at James Capel suggested that one reason for the market's recent weakness was that domestic funds, which had invested heavily in equities during September, were now switching to take advantage of more attractive yields from bonds.

Fiat, meanwhile, found itself at the centre of a battle between speculators, trying to

## FT-SE Actuaries Share Indices

| Oct 20    | Oct 19  | Oct 18  | Oct 17  | Oct 16  | Oct 15  | Oct 14  | Oct 13  |
|-----------|---------|---------|---------|---------|---------|---------|---------|
| FT-SE 100 | 1238.18 | 1238.75 | 1237.13 | 1235.55 | 1235.47 | 1235.88 | 1234.22 |
| FT-SE 250 | 1285.34 | 1285.75 | 1284.00 | 1283.72 | 1283.74 | 1283.29 | 1281.28 |

| Oct 20           | Oct 19  | Oct 18  | Oct 17  | Oct 16  | Oct 15  | Oct 14  | Oct 13  |
|------------------|---------|---------|---------|---------|---------|---------|---------|
| FT-SE Europe 100 | 1232.21 | 1232.52 | 1231.00 | 1230.17 | 1230.17 | 1230.17 | 1228.16 |
| FT-SE Europe 250 | 1274.80 | 1274.14 | 1272.00 | 1271.00 | 1271.00 | 1271.00 | 1269.25 |

New 1000 ordinary shares: 100 - 1231.21; 200 - 1285.34; 300 - 1254.87; 400 - 1281.11; 500 - 1281.11.

turnover rose from DM6.6bn to DM7.4bn. The switch from cyclical to financials was still on. Deutsche Bank and Bayer-Nypho rose DM9.60 and DM5.50, to DM732.50 and DM397.50, respectively. VW and Siemens paid the price with falls of DM6.70 to DM436.30 and DM14.10 to DM514.90.

Ms Barbara Altmann at B Metzler in Frankfurt said that Mannesmann, in particular, could have been suffering from US selling as American holders took profits on the shares, and on the D-Mark. After a two-day fall of DM30, the stock showed a session gain of DM12.50 to DM385.50.

Meanwhile, another high flyer flew even higher, the computer software group SAP hitting a new high of DM940, up DM65 or 7.4 per cent on a

194 per cent jump in nine-month operating profits.

PARIS fell after the release of the US data but then recovered its equilibrium. The CAC-40 index ended off 8.94 at 1,857.37 after a low of 1,850.

A further setback sent shares of Eurotunnel into a dive as a train due to take journalists on a demonstration from London to Paris broke down just before it was due to leave the station.

A back-up train was later used and Eurotunnel said the journey had been successfully completed in under the scheduled three hours. The shares, which had dropped to FF15.85 early in the session, managed to recoup some of the loss, closing FF16.50 at FF16.00.

Général des Eaux slipped FF8 to FF446 before it announced after the close that it expected a 4 per cent gain in full-year profits, after a 5 per cent rise in first-half data.

Accor shares dipped FF6 to FF551 on news that the hotel group expected next week to report a first-half net loss.

ZURICH saw an early technical rebound run out of steam on worries about higher interest rates, and the SMI index

finished 1.1 ahead at 2,530.9, off a high of 2,547.5.

UBS bearers fell Sfr11 to Sfr12.45, with some investors said to be disillusioned at the prospect of a long battle with BK Vision over the bank's plan for a single share category.

Pharmaceuticals recouped some of their recent losses. Roche certificates added Sfr25 to Sfr5.875, Ciba rose Sfr10 to Sfr715 and Sandoz put on Sfr5 to Sfr747. Among insurers, Swiss Re, finding renewed favour with investors, picked up Sfr10 to Sfr740.

MADRID lost early gains to close with the general index down 0.45 at 296.08, undermined by Wall Street and domestic bond market losses.

TSL AVIV shook off the pessimism that followed Wednesday's bombing of a bus in the city, and the Mishanin blue chip index rose 5.56 or 2.9 per cent to 185.25.

Brokers said the underlying sentiment, too, was positive, given that the market had only fallen by just over 1 per cent on the previous day's events.

Written and edited by William Cochrane, John Pitt and Michael Morgan

## Ericsson, Nokia hit new highs

Ericsson, the Swedish telecommunications group, saw its 8 shares rise SKr6 to SKr435 after an intraday, 1994 high of SKr422.50, with buying interest boosted by strong interim results from Nokia, the mobile telephone based Finnish conglomerate.

Earlier this month, Ericsson registered a four-day gain of 8.2 per cent, to SKr422, in response to a strong interim report from Motorola, of the US. Late on Wednesday, Nokia, Europe's biggest manufacturer of mobile telephones, reported eight-month pre-tax profits up from Fmk466m to Fmk2.39bn, well above a consensus analysts' forecast of Fmk1.72bn. "Expectations are

high for Ericsson now," said a dealer.

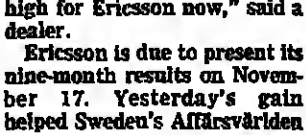
Ericsson is due to present its nine-month results on November 17. Yesterday's gain helped Sweden's Affarsvärden General index to move forward 8.30 to 1,463.90.

Both Ericsson and Nokia, quoted in New York, had climbed overnight on US investors' enthusiasm for the stocks. In Finland yesterday, Nokia hit its 1994 peak, ending FM39 up at FM678 after an intraday high of FM692.

But corporate news in Finland was mixed, and the Helsinki market reflected this. Shares in the banking group Kansallis-Osake-Pankki (KOP) fell FM1.95 to a new 1994 low of FM8.65 after it announced plans to raise FM2bn in a complicated equity capital exercise; the market's Hex index fell 6.6 to 1,960.9.

Source: FT Graphite

Share price and index rebounded



Affarsvärden General

Jan 1994 Oct

Source: FT Graphite

## ASIA PACIFIC

## Nikkei advances as Hong Kong halts slide

## Tokyo

Buying by arbitrageurs and public funds supported share prices, and the Nikkei 225 average gained ground after moving within a tight trading range, writes Emilio Terzano in Tokyo.

The index rose 123.03, closing at the day's best of 19,591.90 after a low of 19,875.28. Corporate and overseas investors were also seen buying a broad range of stocks.

Volume came to 270m shares, against 230m. Traders said investors will remain inactive until the Japan Tobacco listing next week. Payments for the second round of subscriptions were due yesterday, but a Japanese broker said investor interest was low, with around only one in 10 investors paying for the stock.

Meanwhile, some Japanese brokers were relieved that overseas investors seemed to have started to return to the Tokyo market. Mr Jason James, strategist at James Capel, commented: "Foreigners are bearish about other markets, including those in the US and continental Europe, and they are shifting some of their funds to Japan."

The Topix index of all first section stocks put on 3.24 at 1,588.71 and the Nikkei 300 gained 1.78 at 290.72. Rises led declines by 568 to 417, with 166 issues unchanged. In London the ISE/Nikkei 50 index eased 0.55 to 1,504.52.

Steel rose on corporate and public fund buying. Nippon Steel, the day's most active issue, firmed Y3 to Y390. Speculative buying supported photo film maker Konica, which added Y16 at Y762, and Pacific Metals climbed Y24 to Y512.

High-technology stocks, which had lost ground on Wednesday on the higher yen, were bought. However, Matsushita Electric Industrial shed Y10 to Y1,635.45, reports of its disputes with the management of MCA, its US movie studio affiliate.

Sega Enterprises, the video game maker, dipped Y50 to Y4,850 on continued profit-taking, while construction issues were also lower.

DDI, the long-distance telecommunications operator, rose Y1,000 to Y98,000 in spite of reports of a planned rights

issue to raise Y50bn. Other telecom shares were also higher, with Japan Telecom up Y50,000 to Y3,88m and Nippon Telegraph and Telephone added Y12,000 at Y98,000 on foreign buying.

In Osaka, the OSE average improved 35.93 to 2,271.22 in volume of 30.4m shares.

## Roundup

A combination of factors provided renewed strength in some Pacific Rim markets.

HONG KONG halted a three-day slide as bargain hunters returned, largely ignoring another tepid government land auction. The Hang Seng index gained 68.72 at 9,388.78, having lost about 230 points earlier in the week.

Hang Seng Bank was ahead HK\$2 at HK\$55.25 on news that it planned to redevelop three properties. Swire Pacific, which said an offering of 20 flats was eight times subscribed, rose HK\$1.25 to HK\$56.

SHANGHAI's A shares soared 10.6 per cent amid renewed hopes that Beijing would go ahead with plans to boost the market, including providing loans to brokerages and allowing foreign funds to invest in A shares.

The index advanced 70.90 to 737.53 in greatly enlarged turnover of Yn4.13bn in what was also seen as a powerful technical rebound after the index lost around 40 per cent in the previous three weeks. Shenzhen's A index rose 9.81 or 8.4 per cent to 154.00.

TAIPEI was encouraged by comments from the central bank that there was unlikely to be a further rise in interest rates. The weighted index added 92.37 or 1.4 per cent at 6,761.37. Turnover amounted to T\$68.26bn.

Following the government's statement, the overnight interbank rate fell to 0.149 per cent from 7.008 per cent.

Consolidation led the gains, with President Enterprises up by the 7 per cent daily limit to T\$63.50.

SINGAPORE finished firmer after a late surge in property-related stocks, but brokers expected the market to resume its consolidation phase. The Straits Times Industrial index rose 13.14 to end at the day's high of 2,392.25.

Among property issues, DBS

Land climbed 16 cents to a new peak of S\$85 in active trade on speculation that the company planned a new condominium project which would contribute to pre-tax profits of about S\$70m.

SEOUL saw institutional profit-taking in large-scale initial issues which pulled the composite stock index 5.99 lower to 1,088.77.

Daewoo Heavy gained Won200 at Won15,300, recouping a decline of Won600 in early trading. New Daewoo Heavy shares were issued as a result of its merger with Daewoo Shipbuilding and Heavy Machinery.

BOMBAY was held back by sustained selling pressure which left the BSE 30-share index 47.48 lower at 4,281.99 as speculators off-loaded holdings in a group of specified shares. Brokers said that the selling pressure was expected to continue in coming days because many domestic and foreign financial institutions were making private placements in about 40 Indian companies that were raising funds from the primary market.

SYDNEY made a late recovery, having been depressed for most of the session. The All Ordinaries index finished 2.9 ahead at 2,016.3 in turnover of A\$466m. The index had moved between 2,018.3 and 2,003.3.

Brokers remarked that some offshore selling of resource stocks was being seen following their outperformance against industrials since the middle of the year.

BHP was 4 cents firmer at A\$19.88, and in the resource sector MIM moved up 8 cents to A\$2.78. News Corp retreated 8 cents to A\$3.42.

BANGKOK firmed on buying of bank stocks, and the SET index improved 20.19 or 1.34

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## FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. In conjunction with the Institute of Actuaries and the Faculty of Actuaries

| NATIONAL AND REGIONAL MARKETS | US Dollar Index | Day's Change % | WEDNESDAY OCTOBER 19 1994 |           |          |                | TUESDAY OCTOBER 18 1994 |               |                 |                | DOLLAR INDEX |          |                |              |         |                   |
|-------------------------------|-----------------|----------------|---------------------------|-----------|----------|----------------|-------------------------|---------------|-----------------|----------------|--------------|----------|----------------|--------------|---------|-------------------|
|                               |                 |                | Round Starting Index      | YTD Index | DM Index | Currency Index | Local % chg on day      | Gross Chg YTD | US Dollar Index | Starting Index | YTD Index    | DM Index | Currency Index | 52 week High |         | Year ago (approx) |
|                               |                 |                |                           |           |          |                |                         |               |                 |                |              |          |                | Low          | High    |                   |
| Australia (88)                | 169.08          | 0.3            | 164.70                    | 105.74    | 131.82   | 162.76         | 0.5                     | 3.85          | 168.43          | 164.58         | 104.01       | 131.28   | 161.94         | 148.36       | 155.78  | 162.99            |
| Austria (118)                 | 157.08          | -0.2           | 171.33                    | 114.88    | 148.08   | 162.23         | 0.1                     | 1.10          | 167.41          | 171.89         | 115.72       | 140.17   | 161.08         | 157.47       | 162.99  | 162.99            |
| Belgium (107)                 | 172.27          | -0.4           | 157.77                    | 105.78    | 134.42   | 131.20         | -0.4                    | 4.20          | 173.00          | 158.77         | 106.82       | 134.94   | 151.77         | 177.04       | 149.33  | 162.99            |
| Canada (132)                  | 137.28          | 0.5            | 125.72                    | 84.20     | 107.12   | 134.50         | 0.3                     | 2.50          | 138.08          | 126.53         | 84.23        | 106.33   | 134.02         | 145.21       | 120.54  | 162.99            |
| Denmark (28)                  | 260.87          | -0.3           | 228.71                    | 160.07    | 203.40   | 208.98         | -0.4                    | 4.42          | 261.21          | 255.89         | 161.48       | 203.96   | 259.16         | 278.79       | 250.27  | 162.99            |
| France (24)                   | 167.40          | 0.6            | 180.78                    | 121.22    | 154.03   | 161.67         | 0.8                     | 0.75          | 165.86          | 179.74         | 123.94       | 152.77   | 160.16         | 167.40       | 122.30  | 162.99            |
| Germany (101)                 | 169.12          | -1.1           | 154.88                    | 103.88    | 131.87   | 136.69         | -1.0                    | 3.18          | 170.96          | 158.90         | 105.57       | 133.35   | 158.22         | 155.37       | 158.24  | 162.99            |
| Italy (101)                   | 169.12          | -1.1           | 154.88                    | 103.88    | 131.87   | 136.69         | -1.0                    | 3.18          | 170.96          | 158.90         | 105.57       | 133.35   | 158.22         | 155.37       | 158.24  | 162.99            |
| Japan (68)                    | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Hong Kong (58)                | 377.84          | -1.2           | 348.83                    | 207.51    | 204.58   | 374.84         | -1.2                    | 2.30          | 382.31          | 360.86         | 204.07       | 208.51   | 378.26         | 360.86       | 204.07  | 162.99            |
| Ireland (14)                  | 209.16          | -1.1           | 181.57                    | 128.46    | 163.23   | 164.28         | -1.3                    | 3.43          | 211.52          | 194.08         | 126.61       | 164.98   | 188.67         | 218.90       | 171.86  | 162.99            |
| Italy (58)                    | 177.63          | -1.6           | 171.10                    | 47.67     | 60.86    | 88.85          | -1.5                    | 1.77          | 178.89          | 172.40         | 48.71        | 61.53    | 80.16          | 87.78        | 57.88   | 162.99            |
| Japan (68)                    | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| South Africa (87)             | 266.51          | 0.1            | 506.65                    | 341.75    | 342.56   | 250.29         | -0.2                    | 1.53          | 255.96          | 510.24         | 343.31       | 433.63   | 587.47         | 264.28       | 302.71  | 162.99            |
| Sweden (18)                   | 225.35          | -1.2           | 2084.02                   | 3084.06   | 1768.65  | 8401.29        | -1.2                    | 1.21          | 2222.99         | 2094.30        | 1480.23      | 1780.23  | 8504.42        | 2804.87      | 1896.25 | 162.99            |
| Switzerland (10)              | 207.68          | -0.4           | 189.34                    | 133.67    | 169.86   | 167.37         | -0.4                    | 3.46          | 216.82          | 200.83         | 134.90       | 170.32   | 187.74         | 219.75       | 187.01  | 162.99            |
| Taiwan (23)                   | 217.35          | -0.7           | 212.85                    | 157.87    | 165.87   | 163.47         | -0.7                    | 2.17          | 218.82          | 212.85         | 157.87       | 165.87   | 163.47         | 219.75       | 187.01  | 162.99            |
| Thailand (34)                 | 201.36          | -0.6           | 189.92                    | 127.25    | 161.82   | 163.93         | -0.6                    | 1.90          | 200.82          | 191.45         | 128.82       | 162.72   | 185.02         | 217.14       | 185.02  | 162.99            |
| United Kingdom (23)           | 201.36          | -0.6           | 189.92                    | 127.25    | 161.82   | 163.93         | -0.6                    | 1.90          | 200.82          | 191.45         | 128.82       | 162.72   | 185.02         | 217.14       | 185.02  | 162.99            |
| United States (14)            | 144.84          | -1.2           | 359.17                    | 240.08    | 306.04   | 205.51         | -1.1                    | 1.80          | 365.83          | 350.27         | 248.42       | 306.76   | 238.42         | 386.82       | 294.66  | 162.99            |
| West Germany (14)             | 352.20          | -1.1           | 333.37                    | 202.29    | 229.29   | 229.29         | -1.1                    | 1.80          | 340.22          | 333.37         | 202.29       | 229.29   | 229.29         | 333.37       | 202.29  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          | -1.2           | 132.88                    | 88.55     | 113.02   | 113.02         | -1.2                    | 1.95          | 146.73          | 154.86         | 88.60        | 114.44   | 150.40         | 129.37       | 134.82  | 162.99            |
| Yen (58)                      | 144.84          |                |                           |           |          |                |                         |               |                 |                |              |          |                |              |         |                   |